

25th March 1930

THE
LEGISLATIVE ASSEMBLY DEBATES
(Official Report)

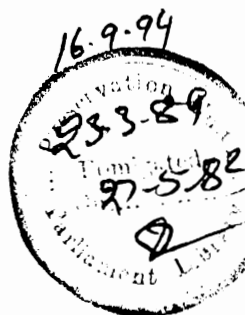
Volume III, 1930

(21st March to 31st March, 1930)

SIXTH SESSION
OF THE
THIRD LEGISLATIVE ASSEMBLY, 1930



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1930



Legislative Assembly.

President :

THE HONOURABLE MR. V. J. PATEL.

Deputy President :

MAULVI MUHAMMAD YAKUB, M.L.A.

Panel of Chairmen :

PANDIT MADAN MOHAN MALAVIYA, M.L.A.

MR. M. A. JINNAH, M.L.A.

SIR DARCY LINDSAY, Kt., C.B.E., M.L.A.

SIR ZULFIQAR ALI KHAN, Kt., C.S.I., M.L.A.

Secretary :

MR. S. C. GUPTA, BAR.-AT-LAW.

Assistant of the Secretary :

RAI SAHIB D. DUTT.

Marshal :

CAPTAIN SURAJ SINGH BAHADUR, I.O.M.

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LEGISLATIVE ASSEMBLY.

Tuesday, 25th March, 1930.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock. Mr. President in the Chair.

SHORT NOTICE QUESTIONS AND ANSWERS.

THE GREAT INDIAN PENINSULA RAILWAY STRIKE.

Mr. M. S. Aney: (i) Will Government be pleased to give approximately the number of strikers who had resumed duty on or before 15th March, giving separate figures for persons employed in the workshops, and on the Great Indian Peninsula Railway line?

(ii) Will Government be pleased to state whether the Railway Board had, soon after the declaration of the strike, issued any instructions to the Agent, Great Indian Peninsula Railway, not to employ, as far as possible, any persons as permanent servants to fill vacancies caused by the strike?

(iii) Was the Railway Board kept duly informed by the Agent from week to week regarding the number of posts filled, permanently and temporarily?

(iv) Did the Railway Board instruct the Agent to keep a register showing the number of persons employed as permanent and temporary separately to fill the vacancies with the dates of the employment of such persons?

(v) Will Government be pleased to state:

(a) whether the members of the All-India Railwaymen's Federation who carried on negotiations with the Honourable the Member for Commerce and Railways and the Members of the Railway Board from 27th February to 1st of March, were given to understand that the total number of posts permanently filled would in all probability not exceed 500; and

(b) whether the comparatively small figure of permanently filled posts then given out was not one of the most important considerations which weighed with them in accepting the condition in the Government Communiqué of 1st March, 1930, relating to reinstatement of strikers?

(vi) Are Government aware of the fact that the responsible Railway officers on inquiries by some of the office-bearers of the Great Indian Peninsula Railwaymen's Union are alleged to have given out that the number of persons employed as permanent to fill up vacancies of the strikers was approximately 8,000?

(vii) Are Government aware of the fact that the above statement alleged to have been made by these responsible Railway officers has dissuaded the majority of strikers from joining their duty on the 15th March, the date fixed in the Government Communiqué as the last date for strikers to join their duty?

(viii) Has the attention of the Government been drawn to the Free Press telegram published in the *Hindustan Times*, dated the 19th March, 1930, under the head "Authorities Refusal", to the effect that the Great Indian Peninsula Railwaymen's Union Office has received telegrams from several important centres on the line, such as Badnera, Bhusaval, Itarsi, Manmad, Shahabad, Sholapur and other places, that the railway authorities had refused employment to the strikers who offered themselves to join the duty on the 15th March and the 16th March and insisted on them to vacate quarters first?

(ix) Has the attention of Government been drawn to the telegram sent by the Special Correspondent of *The Times of India* and published in the issue of that paper on March 17th, 1930, to the effect that the railway authorities at Nagpur had held out a hope of entertaining only ten per cent. of the strikers there, as most of the vacant posts had been permanently filled?

(x) (a) Are Government aware that the conduct of the railway authorities in refusing re-instatement has created widespread discontent and dissatisfaction?

(b) Is the attention of the Government invited to the telegram, publishing the decision of the Strike Committee held at Bombay on the 16th March, exhorting the strikers to continue the strike and offer peaceful Satyagraha and carry on mass picketting so as to induce the loyalists to join their ranks?

(xi) (a) Will Government be pleased to state if they propose to take such steps to further extend the period for the strikers to join by 10 days and instruct the Railway Agent and Divisional Officers subordinate to him, in charge of different divisions of the Great Indian Peninsula Railway, to re-instate all those who offer themselves for joining the duty within the same period?

(b) If not, will they be pleased to state what other steps they propose to take to remove the apprehension which dissuades the strikers from offering themselves for joining the duty and thus putting an end to the present undesirable state?

(xii) Will Government be pleased to state:

(d) Whether they have received a telegram from Messrs. Jinwalla and Ruikar to the effect that the Agent, Great Indian Peninsula Railway, is withholding January wages of Parel and Matunga Workshops men and other strikers; and

(b) What steps they propose to take with a view to see that the wages of the strikers for the month of January are immediately paid and their family members saved from starvation?

The Honourable Sir George Rainy: (i) As the 15th March was a holiday and the 16th Sunday, the offer contained in the Government of India communiqué of the 1st of March, which fixed the latest date up to which the men who offered to return to duty would be reinstated or placed on a

waiting list, was kept open until the 17th March. Up to and including the 17th March, about 10,900 men applied for reinstatement; 4,850 have been reinstated, about 4,500 placed on the waiting list and about 1,500 have not yet been placed on the waiting list because they have not vacated their quarters. Of the men on the waiting list 2,500 can be reinstated within the next two weeks.

In addition, 1,500 engineering gangmen, who did not apply for reinstatement, could be reinstated within a very short period.

These figures do not include workshop staff. The total staff employed in the workshops at Matunga, Parel and Jhansi is about 18,000 men. Up to the 17th March 1,200 men had resumed duty. But since then there has been an improvement in the Jhansi workshops, and on the 22nd of March 3,413 men, that is to say, practically the entire establishment, had resumed work at Jhansi. On the 24th, however, the Jhansi figure had dropped to 1,049. On the 22nd March there were 75 men at work at Matunga and 793 at Parel.

(ii) On the 12th February the Railway Board advised the Agent that, although they must leave the question of filling vacancies permanently to his discretion, they considered that new recruits should only be taken on in such numbers as were absolutely necessary for the maintenance of essential services.

(iii) No.

(iv) No.

(v) (a) No.

(b) Does not arise.

(vi) On the 6th March the Agent, Great Indian Peninsula Railway, gave an interview to Mr. Kher of Jhansi at the request of Mr. Darling, Collector of Jhansi. Mr. Kher did not interview the Agent in his capacity as an office bearer of the Great Indian Peninsula Railwaymen's Union. The Agent told him that, as far as he was aware, about 8,000 posts had been filled.

(vii) Government do not consider that this statement had any real effect on the situation, but are aware that some of the Union leaders have attempted to use it as a lever to dissuade the men from offering to return to duty.

(viii) Government have seen the press telegram referred to by the Honourable Member. A number of men, of whom about 1,500 were in the Transportation Department, on application for reinstatement were asked by the Railway to vacate their quarters, as their original posts had been permanently filled and re-employment either could not be found for them at once, or could not be found at the stations where they were employed previous to going on strike. They were asked to vacate their quarters as a preliminary to their names being entered on the waiting list.

(ix) Government have seen the telegram referred to. From information at present available only 10 per cent. of those who went on strike at Nagpur can be taken on again at that station, but it is expected that

all who have offered to resume duty before the 17th March will be absorbed at other stations.

(x) (a) No.

(b) Yes.

(xi) (a) and (b). Government do not propose to extend beyond the 17th March the undertaking given in their communiqué of the 1st March that an employé who went on strike and who offered to return to duty by the prescribed date and who could not be taken on because his post had been permanently filled, would be put on the waiting list and reinstated at the earliest possible moment. They propose in respect of posts other than those in the workshops to instruct the Agent, Great Indian Peninsula Railway, now to proceed to fill permanently all posts held by men who went on strike and who did not offer to return to duty on or before the 17th March. In filling such vacancies the men on the waiting list will have the first claim to re-engagement, and persons who went on strike but are not on the waiting list will be considered eligible for employment with other applicants. Further, the Railway Administration will be instructed not to refuse to take back into service any employé merely because he went on strike.

I would like to add that as a concession to the employés who offered to return to duty by the 15th March Government agreed on the 15th March to a proposal from the Agent, Great Indian Peninsula Railway, that men who offered to return to duty on or before the 17th March and have been put on the waiting list because their posts were permanently filled should be granted all the leave they were entitled to on the day they proceeded on strike, the leave to commence from the date the employé's name was placed on the waiting list.

The position in regard to the workshops is different, and Government propose to consider the question of abolishing all posts in the workshops which have for some considerable time been retained in excess of requirements, merely because it was not considered desirable to dispense with the services of a considerable number of men all at once. Further, the question of shutting down the workshops for a time will have to be taken into consideration as it is not possible to work the shops efficiently and economically unless a sufficient number of qualified men is available for work.

(xii) (a) Yes.

(b) Payment of wages due was not withheld by the Railway. All wages were available for payment on the normal dates, but in some cases the strikers neglected to take payment. This was the case to a large extent at Parel and Matunga shops, where the men were prevented by the strike organisation from taking payment. As soon as it became apparent to the Railway that the ban on the men receiving wages was lifted by the strike leaders a special pay day was arranged and most of the men received their January wages; but they refused to take pay for the days they worked in February, although this was specifically offered to them.

Mr. N. C. Kelkar: Supplementary question, Sir.

The Honourable Sir George Rainy: There is one more short notice question on the same subject and it might be for the convenience of the House if I answer that before the supplementary questions are asked.

Mr. President: Diwan Chaman Lall.

Diwan Chaman Lall: (i) Will Government be pleased to state:

- (a) the number of strikers involved in the last Great Indian Peninsula Railway strike?
- (b) the number of workshopmen involved in the strike in all the workshops of the Great Indian Peninsula Railway separately? and
- (c) the number of strikers, apart from workshopmen, involved division by division?

(ii) Will Government state whether they agreed to reinstate all strikers immediately except those whose posts were permanently filled up?

(iii) Will Government state the:

- (a) criterion for establishing whether or not a post had been permanently filled;
- (b) method of scrutiny for establishing as a fact whether or not a post has been filled up;
- (c) number of such posts thus filled in the (i) workshops, (ii) in other departments?

(iv) Will Government state the total number of strikers who have been

- (a) refused reinstatement immediately;
- (b) whose names have not been entered on the waiting list; and
- (c) the number, who in spite of the settlement arrived at between the Railwaymen's Federation and the Railway Board have been asked to vacate their quarters?

(v) Is it a fact that Government, as a result of further negotiations by us with (*vide* my letter of the 11th March addressed to the Honourable Sir George Rainy) Members of the Railway Board have accepted the suggestion:

- (a) to treat these strikers who have not been taken back immediately, as on leave for the period of leave due;
- (b) to reinstate all the strikers within a shorter period anticipated in the statement issued by the Government of India on the 1st March, 1930;
- (c) to permit the strikers to report to duty even after the date mentioned in the communiqué of 1st March, 1930. and 15th of March;
- (d) to allow subsistence allowance to the men for the period of unemployment from the day of offer to resume and actual resumption; and
- (e) that so-called permanent hands already employed during the strike should be put on the waiting list and the strikers immediately re-engaged?

(vi) Will Government state the shortest possible period in which all the strikers not so far reinstated will be taken back to work, and whether Government have decided to reinstate at least 50 per cent. in March, 25 per cent. in April and 25 per cent. by the end of May?

The Honourable Sir George Rainy: (i) The position varied from day to day. The figures I give are for the 11th March:

(a) 81,792.

(b) Parel 3,847, Matunga 4,702, Jhansi 4,171, Manmad 397, a total of 12,617.

(c) 19,145.

I regret that figures are only available by departments and not by divisions. 12,073 were in the Transportation and 3,985 in the Engineering Department.

(ii) Yes, provided the employé offered to return to duty on or before the 15th March, a date which was subsequently extended to the 17th March, and was not discharged for other reasons than the strike.

(iii) (a) The criterion is whether an offer of permanent employment, either written or verbal, was made, subject of course to the applicant passing any prescribed medical or other test within a reasonable time.

(b) This must obviously be determined by the evidence of the officer who was competent to fill each post as to the nature of the offer made by him.

(c) Up to the 11th March, in the workshops 13, elsewhere 14,072.

(iv) The number of strikers, other than workshop staff, who offered to return to duty and were not immediately reinstated is about 6,000. The number of strikers, other than workshop staff, who have not offered to return to duty and whose names have consequently not been entered on the waiting list is approximately 8,000. With regard to the number of men who have been asked to vacate their quarters I would refer the Honourable Member to the reply I have given to part (viii) of Mr. Aney's question. I would remind him, however, that this point does not find a place in the terms offered to men to return to duty as announced after my meeting with the representatives of the All-India Railwaymen's Federation.

With regard to workshop staff I am not aware that any man who has offered to return up to the 17th March has been refused reinstatement, and in these circumstances the arrangements with regard to the waiting list have not had to be brought into force. I have received no information that any of the workshop staff have been asked to vacate their quarters.

(v) (a) A recommendation to this effect with regard to men who offered to return to duty on or before March the 17th was made by the Agent of the Great Indian Peninsula Railway and accepted by the Government of India.

(b) Since, if the men offered to return to duty on the terms announced in the communiqué of March the 1st, the Government of India were anxious to re-employ them in as short a time as possible the methods by which this could be done were carefully explored from the 1st of March

onwards; and by extending the arrangements announced in the communiqué to other lines it seems possible that practically all men on the waiting list may be taken back within a shorter period than was suggested, when I met the representatives of the All-India Railwaymen's Federation.

(c) The date has been extended to March the 17th for reasons which I explained in answer to Mr. Aney.

(d) No.

(e) No.

(†) I am afraid it is not possible to state exactly what the period will be within which all strikers who offered to return to duty on or before March the 17th can be reinstated, but I can assure the Honourable Member that Government are anxious that this period should be as short as possible. I can give no further definite information as to the numbers likely to be reinstated than I have already given in reply to Mr. Aney.

Diwan Chaman Lall: May I ask the Honourable Member whether it was a term of the agreement between the Railwaymen's Federation and the Railway Board that the workers who offered for reinstatement should be asked to vacate their quarters before they could be put on the waiting list, and if that was not a term of the agreement, why was this condition put before them?

The Honourable Sir George Rainy: No, Sir. That, as I have already stated, was not mentioned in the agreement at all. But quite clearly, if a man is on the waiting list waiting for an appointment to be offered to him, and his post has been permanently filled, his quarters must be placed at the disposal of the permanent incumbent. The reason why these quarters are provided is that it is necessary for the man to live near his work.

Diwan Chaman Lall: May I ask the Honourable Member whether it is not a fact that one of the terms of the settlement was that there should be no victimisation, and whether he would not consider that this action, taken by the local officials against men offering for reinstatement, namely, that they should first vacate their quarters before their names could be put on the waiting list, was a measure of victimisation?

The Honourable Sir George Rainy: No, Sir. It was not a measure of victimisation at all. It is merely this, that in order that the work of the Railway may be carried on, the men who have been permanently appointed to certain posts should not be deprived of their quarters.

Diwan Chaman Lall: May I ask, Sir, whether the Honourable Member would not have considered it advisable to consult the Railwaymen's Federation before it was made a condition precedent to the reinstatement of these men?

The Honourable Sir George Rainy: No, Sir. I think this is a matter of an ordinary business arrangement necessary in order that the work of the Railway should go on.

Diwan Chaman Lall: May I ask, Sir, whether it is not a fact that the gentlemen who negotiated with the Honourable Member were under the

impression that the total number of men whose posts have been permanently filled would certainly not exceed 8,000, and whether it is a fact, which has now been discovered, that the total number of posts permanently filled is 14,000 odd?

The Honourable Sir George Rainy: I am not in a position to say what the impression was in the minds of those whom I interviewed on the 28th February and on the 1st March, but I am quite willing to believe that they thought that the number was a great deal less than 14,000.

Diwan Chaman Lall: May I ask the Honourable Member whether it is not a very serious matter that the representatives of the Railwaymen's Federation, who went to negotiate with the Honourable Member, were definitely under the impression, and that impression was conveyed to them by one of the Members of the Railway Board, that the number, as they understood from that Member, would not exceed 8,000? If that was the position, does it not materially affect the basis of the negotiation?

The Honourable Sir George Rainy: No, Sir. The position at the time of the interview was this, that the members of the deputation first asked that we should undertake to take back the men within a certain definite period. That we were unable to do, and I think I am correct in saying that, from our side of the table, at the interview no figure was mentioned. As regards what the Honourable Member has said about the figure given to him by a Member of the Railway Board, that cannot have been given to him immediately before the interview because, before that date, we had already received a higher figure than that from the Agent of the Great Indian Peninsula Railway.

Diwan Chaman Lall: May I ask the Honourable Member, Sir, whether he is challenging my statement that that figure was given to me by a Member of the Railway Board? May I remind the Honourable Member that I am definitely asserting that, before we entered into negotiations with the Railway Board, a figure of 2,900 odd was actually conveyed to us by a Member of the Railway Board, and that no higher figure was ever mentioned to us before we started negotiations?

The Honourable Sir George Rainy: As I have already said, so far as this particular Member of the Railway Board is concerned, his statement is that that figure was given to the Honourable Member several days before the interview and not in any way as a figure to be used at the interview.

Diwan Chaman Lall: Does the Honourable Member realise that the figure that was given to me and to other members of the deputation that saw the Honourable Member was a figure given to us, either on the day the deputation met the Honourable Member or the day before, and that no other figure was ever given to us before we started negotiations with the Honourable Member?

The Honourable Sir George Rainy: No, Sir. I cannot admit that the figure was given either on the day of the interview or on the day before, and my Honourable friend will remember that, although I was pressed

several times at the interview, I declined persistently to quote any figure at the interview.

Diwan Chaman Lall: May I ask the Honourable Member whether it is not a fact that, although the statement that he has now made about himself is perfectly correct, the other statement is also correct, and will the Honourable Member be prepared still to challenge my veracity in the matter?

The Honourable Sir George Rainy: I have already said that the figure that the Honourable Member has mentioned was given to him in conversation several days earlier and was not given to him on the day of the interview or the day before the interview.

Diwan Chaman Lall: Is the Honourable Member aware that it was not a question of several days earlier? The negotiations started and were completed within about five days, and therefore there could be no question of giving the figure several days earlier?

The Honourable Sir George Rainy: It is not within my recollection, Sir that the period was so short as that. My recollection is that conversations were going on for a longer period than that.

Diwan Chaman Lall: May I ask the Honourable Member whether he is aware that the conversations with regard to these permanently filled posts did not last more than four or at the outside five days, and that the figure could not possibly have been given several days earlier? Is the Honourable Member aware of that?

The Honourable Sir George Rainy: No, Sir, I am not aware of that.

Diwan Chaman Lall: May I ask the Honourable Member if it is not a fact that one of the reasons why many of these workers came back to work, but refused to continue to work is merely because of this, that they discovered that a very large number of the permanent posts had been filled up and that this was not brought to our notice at the time we negotiated?

The Honourable Sir George Rainy: I expressly refrained at the interview from mentioning any precise figure because at that time I was of opinion that the figure we had in our possession should not be taken as a final or accurate figure, and I was particularly anxious to avoid conveying any erroneous impression on the subject. It was for that reason I consistently refused to give any particular figure to the members of the deputation.

Diwan Chaman Lall: May I ask the Honourable Member, Sir, if he is prepared to reconsider the whole position now in view of the definite statement that I have made, which can be borne out by every member of the delegation that met the Honourable Member, namely, that no member of the delegation was aware that the figure could possibly be more than the figure of 2,900 odd or 3,000 at the outside? Under those circumstances, is the Honourable Member now prepared to do all he can to inform the workers who have been on strike that, at the earliest possible moment, every man, in spite of the fact that he did not come back to work on the 17th March, will be reinstated, and that everything will be done to find a job for him?

The Honourable Sir George Rainy: As regards those who returned to duty from the 17th March, certainly, everything will be done to find employment for them as soon as possible. But as regards those who did not return to duty by that date I have already replied in the answer that I have given.

Diwan Chaman Lall: May I take it, Sir, that the position is this, that the delegation that met the Honourable Member were influenced into agreeing to that settlement under the impression that the number of posts which were supposed to be permanently filled would not be more than about 3,000, and is it the position now that the Honourable Member is taking advantage of the figure of 14,000 permanently filled in order to keep out those who did not offer themselves for work on the 17th March?

The Honourable Sir George Rainy: No, Sir. I cannot admit that the members of the deputation were in any way entitled to have the impression that the figure was as the Honourable Member has stated, nor can I accept his suggestion.

Lieut.-Colonel H. A. J. Gidney: Will the Honourable Member please state what advantages in the way of bonus, increment, leave or promotion, he proposes to offer to those employees who remained loyal to the Great Indian Peninsula Railway during this strike?

Mr. A. A. L. Parsons: The men on the line who remained loyal throughout the strike are being granted double wages for the period of the strike. I cannot at the moment remember if they have been given any other special terms.

Lieut.-Colonel H. A. J. Gidney: Will the Honourable Member please state, in view of the anxiety shown towards placating the strikers and the liberal terms offered to these men, how long Government intend to continue this policy which almost amounts to encouragement of strikes and spoon-feeding of the strikers?

The Honourable Sir George Rainy: I am afraid I cannot admit the inference suggested by my Honourable and gallant friend that the fact that the strikers who offered to return to duty have been placed on a waiting list is an encouragement to strikes.

Sir Hari Singh Gour: Will the Honourable Member consider the advisability of drawing up a complete report of the causes of the strike, and place it on the table of the House for the information of Honourable Members?

The Honourable Sir George Rainy: I will consider that, Sir.

Mr. M. S. Aney: May I ask, Sir, whether after the Government communiqué was issued on the 1st of March, attempts were made to serve a large number of strikers with notices of discharge from service on the 3rd of March and on subsequent dates, and whether, after the 1st of March, some posts have been permanently filled? Is the Honourable Member aware of that?

The Honourable Sir George Rainy: I understand, Sir, that some posts have been filled since the 1st of March. I may say that when the figure of 14,000 came to our notice, it seemed to me desirable that the matter

should be very carefully examined. For that reason, the Chief Commissioner for Railways, Mr. Russell, was asked to go down to Bombay, where he arrived on Friday morning last. I expect him back tomorrow, and I shall discuss with him the whole question as soon as he returns.

Diwan Chaman Lall: May I ask whether, in view of the situation now presented to us, the Honourable Member would not be prepared to re-consider the whole matter, even with regard to the men who did not offer themselves for reinstatement, and put them on the same basis if they, within the three days time given to them, offer themselves for reinstatement as those who offered themselves previously?

The Honourable Sir George Rainy: I should find very great difficulty in doing that, Sir, but I will consider my Honourable friend's suggestion with the Chief Commissioner for Railways on his return.

Mr. Vidya Sagar Pandya: Will the Honourable Member please let us know how many days' notice was given to the railway employees before they were asked to quit their quarters?

The Honourable Sir George Rainy: I think it was seven days, but I am speaking without the book. I am not absolutely certain about it.

Mr. Vidya Sagar Pandya: Is the Honourable Member aware that, under the ordinary law, when a landlord wants his tenant to quit the house, the tenant is entitled to have some notice, and may I know whether such a thing obtains in the railway rules in respect of their employees?

The Honourable Sir George Rainy: No, Sir, I cannot give an answer as to the notice required under the ordinary law, though I have no doubt that my Honourable friend would be able to give me a correct statement on that point. But the question of the vacation of railway quarters is governed by a special section of the Railway Act.

Mr. Vidya Sagar Pandya: May I know, Sir, if the Honourable Member is aware that some railway officials and others approached the owners of Dharamsalas not to allow the railway men to get into the Dharamsalas?

The Honourable Sir George Rainy: No, Sir; I have received no information to that effect.

Mr. Vidya Sagar Pandya: If any information to that effect is supplied, is the Honourable Member prepared to inquire and punish those who have acted in this manner?

The Honourable Sir George Rainy: If the Honourable Member will give me the information, I will consider whether any action is necessary.

STATEMENTS LAID ON THE TABLE.

EARNINGS OF NEWLY CONSTRUCTED RAILWAY LINES.

The Honourable Sir George Rainy (Member for Commerce and Railways): Sir, I lay on the table a statement promised in reply to the general discussion on the Railway Budget on the 19th February, 1930, regarding the actual earnings during the financial year 1928-1929 of newly constructed railway lines.

Statements showing actual net earnings during the financial year 1928-29 of newly constructed lines for which information for 1928-29 is available.

Item No.	Name of project.	Working Railway.	Gauge.	Mileage.	Date of opening.	Net income creditable to the project for 1928-29.	Percentage return of income (Col. 7) on Capital Outlay.	Percentage return of income on Capital outlay some few years after opening as estimated originally.	Remarks.
1	2	3	4	5	6	7	8	9	10
1	Shahdara-Narowal .	N. W.	5'-6"	47.73	21.12.26	Rs. 2,74,753	8.54	5.48	
2	Sibsagar Road Khowang .	A. B.	3'-3½"	38.79	1.7.27 (26.79 miles) 10.11.27 (12 miles).	1,41,719	4.04	4.00	
3	Kannivhalli-Swamiballi Extension.	M. & S.M.	3'-3½"	11.74	15.3.28	2,37,532	41.2	(a)	(a) Information not immediately available.
4	Shoranur-Nilambur .	S. I.	5'-6"	41.35	26.10.27	—28,061*	—0.35	3.52	
5	Lyallpur-Jatanwala .	N. W.	5'-6"	22.10	3.12.27	—72,792	—4.29	5.47	
6	Narowal-Jassar-Chak-Amru	N. W.	5'-6"	32.40	21.12.27	—34,449	—1.97	8.21	
7	Sirhind-Rupar .	N. W.	5'-6"	31.00	16.2.28	1,95,647	8.00	6.22	

* Excluding earnings of the existing lines from new traffic interchanged with the new Railway.

Note.—1. In the case of lines opened subsequently to March 1928 figures for the first full year of working will be those for 1929-30, which are not yet available.

2. Where the figures in column 7 include earnings of existing lines from traffic interchanged with the new railway the figures are not, pending further investigation, final.

RATES OF WAGES OF CERTAIN CLASSES OF EMPLOYEES OF THE BOMBAY,
BARODA AND CENTRAL INDIA RAILWAY.

Mr. A. A. L. Parsons (Financial Commissioner, Railways): Sir, with reference to part (c) of my reply, on the 20th January, 1930, to unstarred question No. 82 by Khan Bahadur Sarfaraz Hussain Khan, I lay on the table a statement comparing the rates of wages of certain classes of employees of the Bombay, Baroda and Central India Railway during the years 1914 and 1929.

Statement comparing the rates of wages of certain classes of employees of the Bombay, Baroda and Central India Railway during the years 1914 and 1929.

Class of workers.	Rate of wages in 1914.	Rate of wages in 1929.	Percentage of rise in the rate of 1929 over that of 1914.	Remarks.
Boilermakers	2-9	3-9	39.02	
Carpenters	1-13	2-11	48.28	
Fitters	2-5	3-5	43.24	
Masons	1	2	100.00	
Moulders	2-5	3-5	43.24	
Painters	1-13	2-10	44.83	
Patternmaker	1-15	3-5	70.97	
Blacksmiths	2-9	3-9	39.02	
Coppersmiths	2-5	3-8	51.35	
Tinsmiths	2-2	2-15	38.24	
Springmakers	2-9	3-0	39.02	
Turners	2-5	3-5	43.24	
Trimmers	1-13	2-10	44.83	
Wood Turners	1-13	2-11	48.28	
Beltmakers	1-3	2-4	89.47	
Drillers (includes air)	1-3	1-14	57.89	
Crane Drivers	1-13	2-9	41.38	
Firemen	1-1	1-5	23.53	
Furnacemen	0-14	1-5	50.00	
Steamhammerman	1-13	2-4	24.14	
Machinemen	1-13	2-10	44.83	
Muccadam	1-8	2-4	50.00	
Riveters	1-10	2-7	50.00	
Assistant Sawyers	-14	1-5	50.00	
Assistant Machinemen	-14	1-5	50.00	
Sawfilers	1-3	1-14	57.89	
Cleaners	-12	1-5	75.00	
Coolies	-12	1-2	50.00	
Fetlers and Helpers	-12	1-5	75.00	
Khalassees	-14	1-5	50.00	
Strikers	-12	1-5	75.00	
Rivet heaters	-7	-13	85.71	
Oilers	-14	1-5	50.00	
Lifters	-12	1-5	75.00	

Class.	Maximum rate or wages in 1914. Per day.	Maximum rate of wages in 1929. Per day.	Percentage of rise in rate of 1929 over the rate in 1914.	Remarks.
CLASS I.	Rs. as.	Rs. as.		
Mail Drivers	9 0	12 0	33·33	
CLASS II.				
Drivers (Pass.)	5 8	8 12	59·09	
" (Goods)	6 0	9 0	50·00	
" (Goods)	4 8	8 0	77·78	
Shunting Drivers	3 0	4 8	50·00	
Head Loco. Shunters or Turners. . . .	2 8	4 8	80·00	
Firemen	2 0	3 0	50·00	
"	2 0	4 0	100·00	On passing Drivers' examination.
CLASS III.				
Broad Gauge.				
Drivers	2 8	4 0	60·00	
Shunting Drivers	1 8	2 4	50·00	
Loco. Shunters	1 0	2 0	100·00	
Firemen	0 14	1 8	71·43	
"	0 14	2 0	128·57	Special rate for literate firemen.
CLASS III.				
2'—6" gauge.				
Drivers	1 12	2 8	42·86	
Shunting Drivers	1 4	1 12	40·00	
Firemen	0 12	1 5	75·00	
	Per month.	Per month.		
Drivers' Grade A . . . .	..	275		} European Drivers 25% Indian Drivers (Literate) 500% Indian Drivers (Illiterate) 108 %.
" " B . . . .	..	250		
" " C . . . .	..	220	..	
" " D . . . .	..	100		
" " E . . . .	..	75		
European Drivers	220	..		} European Shunters 30% Indian. Shunters 550%.
Indian Drivers (Literate)	46	..		
Indian Drivers (Illiterate)	36	..		
Shunters' Grade A . . . .	..	130		
" " B . . . .	..	120	..	
" " C . . . .	..	50		
European Shunters	100	..		
Indian Shunters	20	..		
European Firemen	70	..		
Indian Firemen	14	..		
Firemen Grade A . . . .	..	100		} European firemen 43% Indian fire men 615%.
" " B . . . .	..	75	..	
" " C . . . .	..	28		
Khallasies	8	15	..	87·5

THE COTTON TEXTILE INDUSTRY (PROTECTION) BILL.

Mr. President: The House will now resume further discussion of the following motion moved by the Honourable Sir George Rainy on the 18th March, 1930:

"That the Bill further to amend the Indian Tariff Act, 1894, and to amend Indian Tariff (Cotton Yarn Amendment) Act, 1927, be taken into consideration."

Mr. Ghanshyam Das Birla (Benares and Gorakhpur Divisions: Non-Muhammadan Rural): Sir, in rising to raise my voice against the principle of this Bill, that is, Imperial Preference, I feel some uneasiness in my mind. I realise the responsibility which I am taking as I cannot ignore the fact that the Bombay cotton industry is passing through a very serious time. Yet, Sir, the duty of every Member is clear in this matter, and it has to be weighed whether the interests of the cotton industry are of such magnitude that we should accept the principle of this Bill although it involves Imperial Preference, or whether we should reject it on the ground that the wider interests of the country demand that Imperial Preference could not be accepted. Sir, I also realise that, in raising my voice against this Bill, I am not carrying with me some of my best friends. What pains me most, Sir, is that I have not been able, in this matter, to carry with me even my dearest friend Sir Purshotamdas Thakurdas, although, Sir, I trust that his head as well as his heart is with me though not his vote. Sir, the consolation which I have, however, is that, except for the Bombay interests, the entire Indian mercantile community, and what is more, the whole country is with me. And, the greatest of all is the consolation that justice is on my side. Sir, with my faith in the justice of the cause, I rise to oppose this Bill.

Sir, before I proceed to touch upon the various aspects of this Bill, I should like to make a few observations about the remarks which fell from my Honourable friends Mr. Das and Diwan Chaman Lall. I think they were unnecessarily unkind when they strongly criticised the Bombay management and commented on their so-called inefficiency. Sir, I hold no brief for Bombay. I have got no interest in the Bombay mill industry but knowing as I do something of mill management in Calcutta and in Bombay as well, I have not the least hesitation in saying that Bombay management is as competent or incompetent as any other management in the world. If, Sir, according to my friend Diwan Chaman Lall, Bombay has been able to oust Lancashire in the cotton trade during the past few years, surely it could not be due to their inefficiency. I should be proud of the fact, Sir, that at present, of the total Indian production of cotton goods Bombay's share is nearly 50 per cent. and surely, Sir, this does not reflect their inefficiency. If, Sir, in spite of the very hostile policy of the Government towards the indigenous industry, Bombay has been able to capture such a large part of the cotton trade, it is a matter, Sir, of which we should all be proud, and I would be very sorry if my friend Diwan Chaman Lall did not feel so. I think, Sir, Bombay is in a frightful condition, and it is the duty of this House to treat her case sympathetically, and not to criticise her at a time when she requires a sympathetic word and sympathetic treatment more than she required at any other time. I also wish to say that whatever be the criticisms against Bombay, that is the only place where you get a little glimpse of Indian management and Indian enterprise. You kill Bombay and you kill the entire Indian trade. I therefore ask my friends not to be unsympathetic but to be

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sympathetic and treat her case as generously as possible. It is true that Bombay has become impatient, as one of my friends remarked. She has lost her nerves. It is therefore all the more necessary that we should not allow her to commit suicide by taking a cup of poison when she requires a cup of milk, that is judicious nourishment and wise counsel. I hope therefore that we shall not be unduly harsh on the Bombay interests. My friend Diwan Chaman Lall said that it was not a national industry. I know there is a distinction between a national industry and nationalised industry. I agree that it is not a nationalised industry. But it undoubtedly is a national industry, and if my friend Diwan Chaman Lall looks forward to a time when it may be possible to nationalise all the Indian industries, I should like to tell him that it will be easier to nationalise a national industry than to nationalise a non-national industry. It is therefore in the interest of all concerned, Sir, that we should help our national industries and not treat them in an uncharitable manner.

Sir, before I come to close grips with some of the provisions of this Bill, let me make it clear that I do not altogether agree with the argument advanced from time to time that there are certain kinds of goods which come into competition with Indian products while there are others which do not come into such competition. This argument is correct to a limited extent, but I will give you a few illustrations which will show that it does not hold good beyond a certain point. Take the case of artificial silk. The House will realise there is nothing common between cloth made of artificial silk and cloth made of cotton, and yet if the cloth made of artificial silk could be sold at a very cheap price, it is bound to compete with the cloth made of cotton. I can produce some samples, which I forgot to bring with me today, but which I propose to lay on the table* for the inspection of this House, which will show that there are dhotis imported from Manchester in very large quantities made out of finer counts, and yet they compete with dhotis made of coarser counts in India. The reason is obvious. The Manchester dhoti, although very inferior so far as durability is concerned, is sold at Rs. 2 per pair, while the Indian made dhoti, although nearly a hundred per cent. more durable than the Manchester dhoti, is sold at Rs. 2-6-0 or Rs. 2-7-0 per pair. In a country where poverty is rampant and the poor have to pay as high a rate of interest on their loans as 200 per cent., it is not at all surprising that a man prefers to buy cloth far less durable simply because it is slightly cheaper than similar cloth and far more durable but slightly dearer. This point has been brought out very strikingly by Mr. Hardy in his Report, on page 72, paragraph 22 when he says:

"We have also to consider the indirect competition of goods of different quality, a matter of special importance if a scheme of protection should be contemplated, since there is always the possibility that a rise in the price of an imported product may not drive the purchaser to a local product of the same kind but rather to an imported product of a slightly different kind. A good example of this type of indirect competition is the supplanting of fine striped shirtings by fine printed drills."

Then he goes on to say:

"Area for area a fine cloth may be less expensive than a coarse cloth and a purchaser who requires a piece of cloth for a particular purpose generally requires a definite area and not a definite weight. Thus he may buy a finer cloth merely because it is cheaper whereas he would prefer a coarse cloth if he could get it at the same price because it is more durable and better suited to his purpose."

*The dhotis were subsequently laid on the table of the House.

This makes it clear that it would not be correct to say that certain kinds of goods alone come into competition and that others do not. It is all a question of price. Every cheap cloth must compete with Indian products, and if we accept this we have to analyse whether the protection proposed to be granted under this Bill is adequate or not. To my mind, Sir, the success of protection would depend entirely on its adequacy. It is something like nourishment given to an invalid patient whom you want, in course of time, to get up on his legs and earn his own livelihood. If you give him judicious but adequate nourishment, he develops sufficient strength after some time and becomes independent of your help. On the other hand, if you keep him in a semi-starved condition, he is a constant drag on your purse. To my mind adequate protection is money judiciously invested by the consumer, and inadequate protection is money simply thrown away. I think therefore this House should analyse whether the protection which is proposed to be granted under this Bill is or is not an adequate protection, whether it covers all those imports which are likely to compete with the Indian products, or whether it is going to be money wasted. We have to analyse whether the sacrifice which the consumer is called upon to make is going to bring us any return or will it have been in vain.

Now, Sir, in order to find out whether protection is adequate or not, let us examine the figures of demand and supply. My friend the Honourable the Finance Member referred, in his speech, to the years 1924-25 and 1925-26 as the years in which the peak of prosperity had been reached, and therefore I would take these years as the bases of my calculations for finding the total consumption of the country. Now, Sir, I take the year 1924-25 and I find that the total consumption of cloth in India was 8,621 million yards, out of which 1,970 million yards were produced by mills in India and 1,651 million yards were imported from outside. Now, Sir, we come to this conclusion,—and it is not wrong as we cannot come to any other conclusion since the purchasing power of the masses after these two years has surely come down—it cannot be said that India can consume more than 8,600 million yards of cloth at present. I have left out deliberately the handloom production and consumption, because that is not a relevant factor. If I take the handloom industry also into account which produces about 1,100 million yards, then I would have to add 1,100 million yards to my figures both of consumption and of production. This will complete the picture. But, for all practical purposes it would make no difference if we omitted the handloom industry altogether from the picture. Thus, we come to this conclusion that the consumption of Indian mill-made cloth and of imported cloth can not be at present more than 8,600 million yards. Let us now see, Sir, if we have not got more supplies than we require.

Sir, the producing capacity at present of India is about 2,700 million yards. We produced in 1927-28 2,357 million yards, and since then there has been a great expansion in the trade. New mills have been erected in Ahmedabad and other up-country places, and at some places the mills have started working at night with a double shift. I know of cases in fact of my own mills in Delhi and Gwalior where we are working a double shift. It has been estimated and the estimate is not far wrong, that the present producing capacity of the Indian mills is about 2,700 million yards, as against our requirements of 8,600 million yards. We have got production in our own country which amounts to 2,700 million yards. That

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is to say, we require only 900 million yards from imports, and I ask the Honourable the Commerce Member whether he thinks that the protection which he is proposing to give under this Bill will be adequate to affect the imports to that extent. We are at present importing, as I said, about 1,900 million yards, and unless we bring down the imports to 900 million yards, there is no likelihood of our mills working economically to their full capacity deriving any advantage from the proposed protection. This is the first point, Sir, on which I disagree with my friend Mr. Chetty. He said: Let us see whether the protection is adequate. I say the protection is not adequate, and therefore the money which we are asking the consumer to sacrifice for protecting the textile industry is going to be money wasted.

Now, Sir, my second point is that our competition is not merely with Japan. I will again produce some figures to show that our competition is not only with non-United Kingdom, but also with the United Kingdom. I propose to place a few figures before the House, which will show that the United Kingdom has been competing as much with Indian products as non-United Kingdom. I will take only dhotis and coloured goods in this connection. I may point out that with Japan, our competition is confined entirely to plain grey goods, i.e., Latha, etc. whereas our competition with the United Kingdom is more marked in the field of dhotis and coloured goods. There, again, I wish to produce a few figures before the House on the basis of which Honourable Members can form their own judgment. Now, Sir, as I said before I have chosen the year 1924-25, as the Honourable the Finance Member called it the peak of prosperity year. In that year our total consumption of dhotis amounted to 947 million yards. Our producing capacity at present amounts to 700 million yards. That is to say, we are required to import only 250 million yards. Now, let us see what has happened. Imports from the United Kingdom of dhotis in 1924-25 were 488 million yards, where it has stood throughout the last five years, viz., the years 1924-25 to 1928-29. In 1928-29 it stood at 454 million yards. But what was the effect on our production? In 1927-28, the production of the Indian mill-made dhotis had reached 616 million yards. In view of our limited consumption, which cannot be more than 950 million yards, there were only two alternatives left for us, viz., either that the imports should have been curtailed or that the axe should have fallen on the Indian production. The imports could not be curtailed and as we could not withstand competition, we had to curtail our own production. Our production, which was 616 million yards in 1927-28, came down to 564 million yards in 1928-29.

Diwan Chaman Lall (West Punjab: Non-Muhammadian): May I ask whether this decrease in the production of cloth was due to the strike in Bombay?

Mr. Ghanshyam Das Birla: I am glad that this point has been raised by my friend Diwan Chaman Lall. It was certainly due to the strike, but may I ask him what these strikes were due to? We had strikes in the Jute industry in Calcutta. Labour put up extravagant demands and as we were passing through a period of prosperity we did not like to prolong the strike and we settled the whole matter in a fortnight's time. But when the Bombay mills got strikes, they looked upon them with mixed feelings. They knew that they were passing through a period of depression.

and they know they would not lose much by keeping their mills closed. They were not in a position to meet the demands of the workers. The result was that they prolonged the strike until starvation led its collapse. Now, Sir, that clearly proves.

Diwan Chaman Lall: I do not want to interrupt the Honourable Member, but may I ask him whether he knows that the 1928 strike did not break down and that the workers did not resume unconditionally?

Mr. Ghanshyam Das Birla: Are you referring to the strike of 1928? May I know what advantage labour got out of it?

Diwan Chaman Lall: The Honourable Member can read the Report himself and find out.

Mr. Ghanshyam Das Birla: I am afraid my Honourable friend has neither read the Report nor has he taken sufficient interest in it. Well.

Sir, it is my sincere opinion, and I think my Honourable friend
 12 NOON. Diwan Chaman Lall will agree with me, that it cannot be in the interest either of the employers or the employees that the industry should continue to suffer and remain starving. Labour can exact the best terms only when industry passes through a period of prosperity, and as the Bombay mill industry was passing through a period of depression, it suited them very well to prolong the strike. In fact they looked on the strike with mixed feelings. I would not be at all surprised, if even with the proposed protection, some mills in Bombay had to close down. But if no protection was forthcoming, I had anticipated that in the month of May this year almost all the mills in Bombay would be compelled to declare a lockout, and you may call it a strike or a lockout, so far as production is concerned, it will have the same effect. I maintain that you would not have curtailed the production—strikes or lockouts are mere means—but for the fact that we were meeting with serious competition from abroad. Now, Sir, to resume the thread of my argument, what I said about dhotis equally applies to the coloured goods. The import of coloured goods from the United Kingdom in 1924-25 stood at 388 million yards, while in 1928-29 it stood at 335 million yards. That is, the imports have been stationary. Well, the production of the Indian mills, which went up in 1927-28 to 681 millions came down in 1928-29 to 487 million yards. Similarly if we look into the total production of the mills, we would find that, while the imports have been practically stationary since 1927-28, the local production which, in 1927-28 went up to 2,857 million yards, came down to 1,898 million yards in 1928-29. That gives you a correct idea of the situation. The supply is more than India could consume, and there are only two alternatives, either we must curtail the imports or curtail the production. What I want to know from the Honourable the Commerce Member is whether he thinks that the protection which he is proposing to give to the Indian mills is adequate to affect the imports to the extent we want and whether it will bring the imports down to 900 million yards; if not, I am afraid he must admit the money which we want to spend for the protection of the Indian industry will be money wasted. It was for this reason that the Bombay millowners and the millowners of other parts of India unanimously asked for 20 per cent. all-round with a minimum of 8½ annas per pound on all cloth. I want to know why two-thirds of the imports have been left untouched. Our total imports amount.

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to 1,900 million yards, out of which two-thirds come from the United Kingdom, and it is from the United Kingdom that we have to face serious competition in dhotis and coloured goods, and I want to know from the Government of India what protection they propose to provide against the imports of dhotis and of coloured goods from the United Kingdom, which are very seriously competing with Indian products.

Mr. B. Das (Orissa Division: Non-Muhammadan): Mr. Chetty will explain that.

Mr. Ghanshyam Das Birla: My own conclusion is, and that conclusion is shared by a large number of friends in this House, that while the Bill does provide a small protection to the Indian industry, it also provides a protection to Lancashire, in order that she may wrest her lost territory from Japan. The figure of the last two years will show how the imports from the United Kingdom have gone down, while the imports from other sources have gone up. In 1927-28, the imports from the United Kingdom were 1,543 million yards, while from other sources they were 480 million yards, thus making a total of 1,973 million yards. While the total imports have been stationary—that is in 1929 the imports were approximately 1,980 million yards,—the imports from the United Kingdom have gone down from 1,543 million to 1,300 million yards, while from the other sources the imports have increased from 480 million yards to 680 million yards. That, Sir, makes it quite clear that while we are asked to give a small protection to the Indian cotton industry, we are also asked to give equal protection, if not more, to the Lancashire industry. I ask this House whether it is fair that, at the cost of the Indian consumer, we should protect an industry which is not situated in India, which is in no way connected with India except the fact that it is one of the elements which has constantly aspired to kill the Indian textile industry. (Hear, hear.) I would not be opposed to protecting any British industry, provided we do so by mere blessings or by mere words. But if it is a question of paying so much out of your pocket to a foreign industry, I am sure none will have the courage in this House to say that we should do so.

I realise that my Honourable friends the Bombay Millowners Association people have been in a difficult position. While they want protection for their own industry, if they reject this proposal they have to go without protection for some time. But if they would have the patience and courage to say to the Government definitely without any ambiguity that if we want protection we want unalloyed protection, we will not consent to pay a huge sum out of the pocket of the Indian consumer for benefiting Lancashire, if they had the courage to say this, I am sure that, in the course of a short time, the Government would have to bend and give us protection, adequate and unalloyed, without any tinge of Imperial Preference. But, Sir, let us examine what is the expenditure we are incurring in order to protect the Lancashire industry. The Fiscal Commission in its Report—here I want to make it clear that I am not reading from the Minority Report, for I was one of the Minority which wrote the Minute of Dissent—I am quoting the Majority Report, which was accepted by the Government. In paragraph 225—this paragraph has already been

quoted, but it is so instructive that I am tempted to quote it again, and I hope the House will not mind the repetition—in paragraph 225 it says :

“So long as a substantial quantity of the commodity continues to be imported from countries to which preferential rate has not been extended the prices of the commodity will be regulated by the higher duty and the consumer will thus pay the higher price on the whole supply and the difference between the two rates of duty will be equivalent to a bounty to the manufacturer in the country receiving the preference.”

Then, Sir, in paragraph 226, on page 126, they further give an illustration and say :

“To take an illustration we may assume that the favoured country is before the grant of preference supplying three-fourths of the market and after the preference is given the price to the consumer for a time may be regulated by the higher rate of duty and the manufacturers of the favoured country will receive, as has been already explained, the bonus of the difference between the two rates.”

This illustration very well fits in with our present position. We are now importing two-thirds from the United Kingdom and one-third from other countries. Now, Sir, if we are to accept this proposal, the result should be that the price of imports from the United Kingdom would be regulated on the basis of the prices on non-U. K. goods, which naturally, will have to be sold at a higher price on account of the five per cent. extra duty. That being so, viz., if five per cent. extra raises the price of all imports from the United Kingdom, this would mean that the Indian consumer would be paying very nearly 2 crores of rupees for the benefit of Lancashire. It may be said that I am exaggerating the result. But I should like to know from the Government if the figures which I am giving are wrong, what are the correct figures. I want to know how much you are calling upon the consumer to pay to Lancashire in order that she may be able to sell her goods at higher rates in the Indian market and thus protect her industry. I would read a press telegram which is very significant. The President of the Manchester Chamber of Commerce issued a statement in which he said :

“While they are profoundly dismayed at the increased duty, they could not fail to recognise the gesture of the Government of India proposing an additional five per cent. duty on non-British goods, although it will not suffice to compensate Lancashire for the disadvantage of general increase.”

Well, Sir, if this will not suffice to compensate her, if the compensation is not sufficient, it is, according to the admission, some compensation at least. And I want to know what is the total amount of compensation which we are providing to Lancashire. Surely, Sir, if any compensation is being provided, it could only be provided at the expense of the Indian consumer. I should like to know from the Honourable the Commerce Member as to what is the total amount of compensation which is sought to be provided to Lancashire at the cost of the Indian consumer. However, Sir, the fact is clear, and to my mind it seems that it should be clear to those who represent Indian interests, that we are being asked to protect the Lancashire industry at the expense of the Indian consumer. Now, Sir, Government may protest that that is not so, although they owe to me a reply to my question as to what is the compensation which we are providing.

But Government may say that they are not giving any compensation. Will that convince any impartial man who carries a head on his shoulders? I will put another simple question. Either Lancashire competes in the Indian market against Japan, or it is competing with the Indian products, or it is competing with none. There could be only these three alternatives. Let us examine this point more fully. If Lancashire is competing

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with Japan in the Indian market, is it fair that Japan should be handicapped by the imposition of 5 per cent. extra, which will mean higher prices to the consumer? If Lancashire is competing with Japan, then surely it is the duty of Government to put both the countries on the same level, so that there may be free competition, and the consumer in this country may get his requirements at a reasonably low competitive rate. My friend, the Commerce Member may say that Lancashire is not competing with Japan. Then is it competing with the Indian products? If that is so, is it fair that two-thirds of the imports should be left practically untouched? Is it not fair that we should get equal protection against Lancashire also? Then, Sir, if there is no competition either with Japan or with the Indian products, then for whose benefit is this five per cent. extra being imposed on Japan? Why should the Government be so chary of accepting the amendment which is proposed to be moved by the Leader of the Opposition, Pandit Malaviya, which imposes 3½ annas per pound on all imports? The very fact that Lancashire is producing only finer goods should be a sufficient safeguard for Lancashire, because if my Honourable friend the Commerce Member would calculate, he would find that 8½ annas per pound on finer goods will not go above 15 per cent. It will be practically inoperative. Therefore I want to know why it is that Government feel hesitation in accepting that amendment, if Lancashire is competing neither with Japan nor with India. My suspicion is that, even if there may be small competition today, the object of Government seems to be to help Lancashire in wresting from Japan the territory which has been lost in the last two or three years. The very fact that Government feel hesitation in accepting Pandit Malaviya's amendment clearly proves that Government are not acting in this matter in the interest of the Indian industry. If I accept their argument that protection is proposed on the basis of competitive goods, I want to know why it is that Government want to tax Japan, even in the case of finer goods, where there is no competition, and why she is leaving alone coarser goods from Lancashire, where there is competition. The competition may be small, but why can you not impose a 8½ annas duty, which will leave all the finer goods untouched, and tax those coarser goods which are coming into competition? The very fact that Government hesitate shows that their *bona fides* are not above suspicion.

It might be said by my friend, the Commerce Member, that there are administrative difficulties in accepting Pandit Malaviya's amendment. He might say that it is not possible to collect 3½ annas per pound specific duty on all imports. May I ask, why this so-called difficulty was not pointed out to the millowners' representatives when they met the Commerce Member at Delhi and suggested 8½ annas all round? If the administrative difficulties exist, surely they should have existed even at that time. But so far as I know, not much objection was raised on the ground of administrative difficulties. I again inquire whether these administrative difficulties are so insuperable that this could not be accepted? I am afraid it is all very nice to say this to laymen, but those who have got some experience of trade know very well that it is not the administrative difficulties which compel Government to reject Pandit Malaviya's amendment, but, it is because, if they accept this, they will be putting Lancashire and Japan on the same basis. They will be allowing free competition, and they will not be able to grant that protection to Lancashire which they want to. That is the whole proposition. I therefore strongly urge that,

if we have got any self-respect left in us, we should reject it and tell Government that we are not prepared to accept their proposal. It is most humiliating that this protection has been mixed up with a policy of preference. We have been crying for protection for the last three years. The Tariff Board made a recommendation that the Indian cotton industry deserved protection. Government rejected the Tariff Board's recommendation and now, taking advantage of the plight and bad condition of the cotton industry, they come forward with a proposal, which is most humiliating to the country and particularly to the millowners, and they say, with pistol in hand, that either they must accept both protection and Imperial Preference, or reject it and go to the dogs. This is the situation in which they have put the Indian cotton industry, and I say that if any self-respect is left in the millowners, they should declare a lockout and say to Government that they do not want to go to the dogs. They may ask Government to go to the dogs, but they should refuse to consider this most humiliating proposal. I am afraid they have not got that courage, but surely it is the duty of this House to say that we are not going to stand this humiliating proposal and we are not going to accept it. If Government carry this proposal by the strength of their own votes, let them do so, but I want every one of the Honourable Members to reject this proposal.

Sir, I have stated my objection very briefly. My friend, Mr. Shanmukham Chetty, when he discussed this Bill, said he wanted to dwell on three aspects. First, whether the industry deserved protection. I think there could be no two opinions about it. The industry does deserve protection. Secondly, whether the protection was adequate; and here I differ from my friend Mr. Chetty. I say, the protection is not adequate. I do not want to make any prophecy, but I shall not be surprised if, in spite of this protection which you are giving, the Bombay mills knock at your doors again next year and suggest that they are dying and require more protection. I will not blame the industry if they do so, because you are not giving them adequate protection, and if they knock at your door again, it will be because of the fact that you are not giving them adequate protection. I maintain that the protection is not adequate. The third point of Mr. Chetty was whether the effect of Imperial Preference was injurious to the industry and the economic interests of the country. I think, Sir, I have proved, at least to those who want to see with their eyes open, that it is injurious to the economic interests of the country. I hope I have proved that we are protecting Lancashire at a cost which may fluctuate between $1\frac{1}{2}$ to 2 crores of rupees per annum, and I ask this House to ponder seriously on the question whether they will be serving the interests of this country by accepting a proposal which is calculated to promote not our interest but the interest of Lancashire.

But, Sir, I want to say a word to Government also. If they think that, in the existing humiliating circumstances, they could impose something on us, they are very much mistaken. I think, Sir, almost every politician from time to time has said that, when we get full responsible government, Dominion Status, Swaraj,—by whatever name you may call it—practically every politician has said that he will be prepared to consider very favourably any demand which may come from the British interests. But, Sir, what you are doing at present is, that you are stiffening the attitude of the people. If you think you can impose Imperial Preference on us with impunity, you are very much mistaken. You are stiffening

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the attitude of the people towards your interests, and I would tell the Government and those who are interested in the Lancashire industry that, by this proposal, they are doing more harm than good to Lancashire. (Hear, hear.) The advantage which they think they are going to get will at least be a temporary advantage. I would be the last person, therefore, even from the point of view of Lancashire, to impose such a thing on the people at this stage, when the political situation is so unsettled. I have spoken to my friends, the millowners, of the disadvantageous situation in which they are putting themselves and I will tell them that, by accepting this proposal, they are doing the greatest disservice to themselves. First of all, they are alienating sympathy of the people. (Hear, hear.) What Mr. Chaman Lall and Mr. B. Das said represents to some extent the opinion of a section of the country. People are already hostile to the Bombay mill industry. And, Sir, if they are so indiscreet as to associate themselves with the proposal against which even the Government of Lord Curzon fought in 1908, I am sure they will be inviting the greatest condemnation on themselves. Even from their point of view, in their own interest, they are making another mistake. May I ask them, why did they not get protection in 1927, and why should they get a little protection now? It was because, in 1927, the imports from Japan were not large. The ratio was not of one-third to two-thirds as at present. At that time, any protection to the Bombay mills meant hitting Lancashire to the extent of 80 per cent. They are getting protection today because the Lancashire interests have dwindled down to 66 per cent., and if they help the Government, if they help Lancashire in wresting the lost territory from Japan, and if, after two years, it is found that cent. per cent. trade is captured by Lancashire, they may take it from me that, if they want any protection in future, they will be knocking their heads against a wall of stone. It is impossible for any Government, until we get responsible government, to fight against the Lancashire interests and, Sir, what they are doing at present is inviting death for themselves. If they have got sense enough, they ought to see. But, Sir, as I said, they have lost their nerves, and it is the duty of this House, however impatient the Bombay millowners may be, it is the duty of this House to see that, in their impatience, they may not do something which is against their own interest and against the interests of this country. With these words I oppose the principle of this Bill. (Applause.)

Mr. M. A. Jinnah (Bombay City: Muhammadan Urban): I have listened, Sir, to the speech of my friend, Mr. Birla, and other speeches with the greatest possible attention. I am, Sir, face to face with the practical proposition. A good deal of what he has said appeals to me very much, about self-respect and the sentiment of the people and the opposition of the public to Imperial Preference. Sir, I want to place before this House, in the first instance, what is the constitutional position of this Assembly *vis-a-vis* the Government of India. The history of the protection of this industry and the past history of obstructing the development of this industry is very well known. We all know it. Sir, I would not go beyond recent times, the Fowler régime, the free trade doctrine, of which my friend, Mr. Arthur Moore, is still a faithful follower and believer in this country, but not in his own I suppose, the continuation of the excise duty, which was only repeated three years ago, I think, and so on, and I will not say anything more than this: that it has been recognised in every fair

and just quarter that it was politically a blunder, morally wrong and commercially unsound. But just as we found the excise duty was repealed, we were presented with the ratio question. Now, I know the Honourable Member considers this as a very sore point when we mention this ratio. But even the Tariff Board admitted, in the inquiry of 1927, that at any rate, putting it in a most favourable light, the repeal of the excise duty, which gave them relief, was at least wiped off by this ratio if not more. But there are other people who seem to think that it gave an advantage to the import of foreign textiles industry of 12½ per cent. Sir, fortunately, we have made some progress since that policy, as I said, the Fowler and Hamilton policy, and the progress is this, that we have got now our charter—I do not use the word seriously—in the observations of the Joint Parliamentary Committee and those observations I will read. They are these:

“Whatever be the right fiscal policy for India, for the needs of her consumers as well as for her manufacturers, it is quite clear that she should have the same liberty to consider her interests as Great Britain, Australia, New Zealand, Canada and South Africa. In the opinion of the Committee, therefore, the Secretary of State should as far as possible avoid interference on this subject when the Government of India and its Legislature are in agreement, and they think that his intervention, when it does take place, should be limited to safeguarding the international obligations of the Empire or any fiscal arrangements within the Empire to which His Majesty's Government is a party.”

Because, after all, the Secretary of State for India forms part of the British Cabinet, and the British Government could only hold office or be in power if Parliament approves of their policy. And there wasn't a Secretary of State for India who was bold enough, or courageous enough, in the interests of India, to allow his party to be defeated on the floor of the House and face dissolution. So, to this extent now, Sir, we are in a better position. But what is our position now under this convention? Our position is this: that if there is agreement between the Government of India and the Legislature, then a measure can be enacted, it can be an accomplished fact. Sir, quite recently, in a speech, the Secretary of State for India, Mr. Wedgwood Benn, said that no Secretary of State for India—I will use his own words—he mentioned this convention, and having mentioned this convention, he said this:

“As an opponent of tariffs, I would never stir one inch from that definition of principle because the principle of self-government is far greater than what I would call the matter of fiscal commonsense. Nor would any Secretary of State attempt to lay a finger upon this principle of tariff autonomy which has been established in practice for 10 years in Indian affairs.”

Mr. President: What book is that?

Mr. M. A. Jinnah: Parliamentary Debates, Hansard, page 1552. Now, Sir, the Government of India *vis-a-vis* this Legislature, are unrestricted, unfettered, in their power to deal with matters like tariffs, as they may in their opinion think best, and the Government of India have taken the initiative and put this proposal before us. Now, Sir, it is a great anomaly. India is not a Dominion; this Legislature is not a sovereign legislature; this Government is not responsible to this House; and how are we going, in this matter, to act as a Dominion would, like Australia, Canada or New Zealand?

Mr. President: By convention.

Mr. M. A. Jinnah: That is exactly where I am making clear our position. I want the House to understand why I am taking this trouble, because it has been assumed in some quarters of the House as if we are masters of the situation and some Honourable Members actually—I am not here to defend the mill management or my friend Mr. Mody—but some of them said, “You come before us with a beggar’s bowl, but you do this and you do that first and then we will consider”. Sir, let us see what is our position, whether we are also not carrying a beggar’s bowl before the Treasury Benches, and I want Honourable Members to realise fully their position.

Mr. President: Not in the matter of fiscal autonomy?

Mr. M. A. Jinnah: Sir, if you will permit me, I will convince you also. Let us see what the position is. The position is this. The Government have the right to take the initiative. This Legislature can only reject it; but if this Legislature wants to modify any measure which the Government propose, and if they do not agree to it, then it falls.

Mr. President: Are they bound to agree?

Mr. M. A. Jinnah: Sir, no person is bound to agree.

Mr. President: Then is the fiscal autonomy a reality or not?

Mr. M. A. Jinnah: If you will tell me, Sir, if you will give a ruling that the Government are compelled to proceed with this Bill and put it on the Statute-book, no matter how we alter it, I am for it.

Mr. M. S. Aney: May I ask the Honourable Member one question? Was it not given out by the Secretary of State as a proof of Dominion Status in action that India has fiscal autonomy?

Mr. M. A. Jinnah: That is how Honourable Members get deluded.

Mr. M. S. Aney: Who attempted to delude us?

Mr. M. A. Jinnah: Why did you allow yourselves to be deluded? Why didn’t you examine carefully, why didn’t you try to understand your own power and your own right instead of saying, so and so said so and so? I may put a definite question on the floor of the House: are you, Sir, prepared to give an undertaking, a ruling that, however I may modify this Bill, the Government are bound to accept it and put it on the Statute-book? I am for it.

Mr. President: That is what I understand to be the position in respect of fiscal autonomy.

Mr. M. A. Jinnah: Sir, with great respect, if you give that ruling, I say that ruling cannot be enforced, but I am prepared.

Mr. President: Nothing can be enforced.

Mr. M. A. Jinnah: What is the good of your being deluded? That ruling, Sir, will have great respect, will have the utmost respect, but that ruling cannot have any effect whatsoever. I want to know from the Government because—I know the constitutional position, and if I am wrong I want to know from Government, are they prepared.

An Honourable Member: Is fiscal autonomy given to the Treasury Benches or to us?

Mr. M. A. Jinnah: That is the error into which the Honourable Member has fallen. What can I do? If you will allow me, Sir, I will ask the Government, are you prepared—because this is how I understand it from the statement which the Finance Member made and further augmented by the statement of the Honourable the Commerce Member. I will read the statement of the Finance Member—paragraph 53. I don't want to make a long quotation; if you read it carefully, the effect of it is this: that they are not prepared to modify their proposal embodied in this Bill and the scheme contained therein in any important degree, and that was made still more clear by the Commerce Member in his speech, when he moved this motion. I think I am quoting him correctly, though I am quoting from my memory. He said, he feared, speaking on behalf of Government, that it would be impossible for us to accept any sort of important change in the scheme of this Bill, or words to that effect?

Mr. President: Did the Honourable the Commerce Member say that he was going to accept the decision of this House?

The Honourable Sir George Rainy (Member for Commerce and Railways): What I said was this, when moving for the consideration of this Bill:

"I should be misleading the House if I conveyed the impression that Government have an open mind or that they are prepared to discuss these various amendments on the footing that all of them are equally open for consideration. I have no desire whatever to mislead the House on that point, and indeed it would be entirely wrong if I did so. Drastic changes in the scheme embodied in the Bill would, I fear, be impossible to accept, but as regards one of these amendments, namely, that which stands in the name of my Honourable friend Mr. Chetty, I am willing to say that, after full consideration, the Government are prepared to accept that amendment."

To that position, Sir, the Government of India, after full consideration, adhere. In particular, the amendment, I think, in the name of the Honourable the Leader of the Opposition, and the second amendment standing in the name of Mr. Iswar Saran and two or three other Members of the Nationalist Party, and I think a third amendment standing in the name of my friend Mr. Acharya, if any of these amendments are passed by the House, I fear it would be impossible for Government to proceed with the Bill.

Mr. President: I am afraid that position is entirely inconsistent with the statement made by the Finance Member, that fiscal autonomy is a reality, and that it is an integral part of the constitution, and also the statement by the Secretary of State for India, made in the House of Commons in the recent debate, that India enjoyed the same liberty in the matter of tariffs as Great Britain enjoys.

The Honourable Sir George Rainy: I think, Sir, it has been clear all along that what the tariff autonomy convention means is that, when the Government of India and the Legislature are in agreement, the Secretary of State will not exercise his power of superintendence, direction and control. In any Dominion it would be necessary that the Government of that

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Dominion and its Legislature should be in agreement before a decision on such matters could be arrived at. The difference of course is that in a Dominion automatic means are provided by which, when there are differences between the Legislature and the Government, they are at once adjusted, whereas under the existing constitution in India no such automatic means of adjustment are provided.

Mr. President: Unless the Government of India are prepared to assimilate themselves to the position of Ministers and act as such in this matter of fiscal autonomy, this fiscal autonomy has no meaning under the present constitution.

Sir Hari Singh Gour (Central Provinces Hindi Divisions: Non-Muhamadan): May I ask one question, Sir

Mr. M. A. Jinnah: I am in possession of the House, Sir. I had, Sir, very little doubt in my mind, and that is why I stated the proposition in the form in which I did, so that Honourable Members may understand the exact position. But, Sir, after the reply given by Sir George Rainy on behalf of the Government of India there is now absolutely no doubt left in the amendments that have been tabled. There are these three alternative proposals. And, Sir, I may tell the House, because there is no confidence about it, that I myself wanted to move an amendment at first. Before tabling the amendment, I considered my position, and I came to the conclusion that, if it was not acceptable to the Government of India and if I carried my amendment, or if any of these amendments were carried, the one and the only result would be the wreckage of this Bill, as the Government may not proceed with the Bill further. Now, Sir, I may tell Honourable Members here that it is for this reason that I am not prepared, in spite of those sentiments which my friend Mr. Birla expressed, to take the responsibility of this Bill being wrecked. I find, Sir, that all along here, barring perhaps a few exceptions, every one recognises the immediate and urgent necessity for the protection of the mill industry. There are various reasons for it, and it has been argued in different ways, but the conclusion is the same, that the mill industry at the present moment is in a desperate condition, and that it needs urgent and immediate protection. And, Sir, nobody would say that it should not get adequate protection, or I will go further and say, effective protection. I entirely agree with my friend, Mr. Birla, that it is wasting the money of the consumer if you do not give effective protection to any industry that you want to keep alive. Because, what is the result if the protection is not really effective? The effect will be this, that whatever little money you put into the pockets of these industries probably will go to minimise the losses they have sustained or may enable some of them to declare a small dividend. That is not the principle of protection. The principle of protection, as I understand it, is this, that the consumer is ready to bear the burden as an investment, as my friend said, so that, within a reasonable time, the industry which they have protected will serve them and will give them the commodity they protected at a cheaper rate and drive out the foreign imports from this country. That is why you should give protection, and there is no question about it. But, Sir, I will read now the words of Sir Victor Sassoon. Speaking on the Tariff Bill which dealt with the yarn duty in

1927,—it is a very instructive passage and I think the House will bear with me, and Honourable Members will realise that our position today is exactly the same as it was in 1927,—this is what he said:

“The position is this, that the mill industry is like a poor wounded man lying on the road. Mr. Jamnadas Mehta says this man needs an ambulance. Mr. Jamnadas is entirely right; he does need an ambulance to take him to the hospital, but all that is offered to him is a broken crutch. He cannot go far or fast on this crutch, but he takes hold of it and stumbles towards the town in the hope that somebody will help him on the road. But Mr. Jamnadas says he should not take the crutch but remain lying on the road while he apprises the municipal authorities.”

My friend Mr. Birla wants the millowners to remain lying on the road and he will go and inform the Delhi municipality about it.

Then, Sir Victor Sassoon went further, and said:

“Unfortunately Mr. Jamnadas cannot guarantee to us that we will ever get this ambulance or I would certainly join him.”

Nor can my friend Mr. Birla guarantee me the ambulance, or else I would certainly join him.

Mr. T. Prakasam (East Godavari and West Godavari *cum* Kistna: Non-Muhammadan Rural): May I interrupt the Honourable Member for a minute. May I know whether it is his contention that the position taken by the Government, in defiance of the position dictated by the Secretary of State, is a correct one or not according to the argument of Government?

Mr. M. A. Jinnah: That point I have past. I cannot go back on it now. Then Sir Victor says:

“Mr. Jamnadas cannot guarantee to us that we will ever get this ambulance or I would certainly join him.”

And somebody shouted out and said “Sir, it might be the funeral”. Now, Sir, I am not prepared to face here in front of me the funeral, and I cannot, Sir, take the responsibility for the funeral of this industry. Of course, we are all agreed that this industry requires protection, it requires effective protection, it requires immediate and urgent protection; but if we cannot get the ambulance, Sir, I have no hesitation in saying that there will be a funeral of this industry, and I am not prepared to participate in bringing about that state of things.

Mr. O. S. Ranga Iyer (Rohilkund and Kumaon Divisions: Non-Muhammadan Rural): Are you delivering a funeral oration?

Mr. M. A. Jinnah: No, Sir. But let me make my position clear that, as I understand the principle of Imperial Preference, it means this, either there should be a reciprocity arrangement between one Dominion and another Dominion; that is, one Dominion says I will give you certain advantages in return for certain advantages which you should give me. That is one principle of Imperial Preference. The other principle of Imperial Preference, Sir, is a voluntary gift. It is open to a Dominion, as part of the British Commonwealth, to say that we will make a voluntary gift to you, provided it is not seriously detrimental to our interests. It is open to you to say so. Neither are we a Dominion, nor is this proposal based on the reciprocity principle, nor even does the Honourable Member or the Government say that we are making a voluntary gift. Personally I am not satisfied with the reasons and the arguments which are put forward to

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support this scheme, but I think we ought to deal with this matter in a fair manner. The Government themselves do not say that they are asking us to endorse the principle of Imperial Preference in their fiscal policy. That is quite clear from the statement made by the Finance Member in paragraph 59 of his speech. This is what he says:

"I need not elaborate the further arguments which have been dealt with in our telegram, but I must before leaving this part of the subject emphasize once again one vital point which we have made. We do not and in fact we could not ask this Assembly to commit themselves at this stage to accepting the principle of Imperial Preference. We are asking them to regard this proposal merely as a special measure designed to meet the immediate emergency. It is acting in this spirit that we propose that the special protective duties shall be imposed for a period of three years only and that at a convenient date before the termination of this period their effect and the whole position of the industry shall be re-examined in a Tariff Board inquiry."

Mr. T. Prakasam: Do you justify that?

Mr. M. A. Jinnah: Beggars cannot be choosers. I am not justifying a single thing, but I am only justifying one thing, and it is this. (*An Honourable Member:* "Don't have the mentality of a beggar".) I wish we could act otherwise, but I shall not give my support to this measure being wrecked at this juncture. That is all I am saying, and I do not want to use unfair arguments. I must also recognise correctly and fairly what the Government position is, which is, we are not asking you to endorse the principle of Imperial Preference. This is an emergent measure, and the whole question will be examined by the Tariff Board. I for one have not got enough data and therefore it is very difficult for me to deal with this question. I venture to say that this House is not committed to the principle of Imperial Preference. It requires further examination

Mr. T. Prakasam: Are you convinced of the emergency?

Mr. M. A. Jinnah: Yes, I am convinced of the emergency a hundred times over.

Mr. T. Prakasam: For Lancashire?

Mr. M. A. Jinnah: I am not concerned with Lancashire. I am concerned with my interests.

Mr. T. Prakasam: Lancashire?

Mr. M. A. Jinnah: What is the good of this sort of interruption? Either my Honourable friend does not understand or will not understand me. The Government say that they have examined this question, and for the time being this is the best thing we can do, and then there comes the appeal from His Majesty's Government. I certainly wish that that appeal might have been left out. That appeal could only come properly to us for consideration if we were in a position and had the power to decide according to our judgment. I do not wish in any way to say anything which might be misunderstood. The Labour Party and the Labour Government have certainly shown their goodwill and good words, but good deeds still remain to be performed. I shall treat with all respect and

sympathy an appeal from the Government in office, namely, the Labour Government. Not that I would have treated it without any respect otherwise. This Government have shown goodwill, and certainly good words and good manners, and to that extent I would be only too glad if it were possible for me to show every consideration to that appeal. Sir George Schuster said to Pandit Madan Mohan Malaviya that if he was the keeper of his conscience, he would know that he put India's interest first. If the Finance Member, I would say, was the keeper of my conscience, he would find that I have no ill-will against Great Britain. I have no desire to do any injury to Great Britain, but, Sir, I must say that I love India first, and I must stand for the interest of India every time. Whenever a question of this kind has got to be considered, it depends a great deal upon the angle of vision with which you approach the question, and it is quite possible, and I do not challenge that for one single moment that the Honourable Members there have honestly and sincerely come to the conclusion that this is the best service they can render to India at the present moment with regard to this problem.

There is one word more which I wish to say about Japan. Several telegrams have been sent to me and to other Honourable Members of this House from various important and influential bodies in Japan. I wish to say this. All credit is due to Japan for her wonderful organisation, for her skill, energy and ability. We are proud of this great nation, particularly as it is an Asiatic nation. It stands among the foremost nations of the world and we are proud of that. We have no unfriendly feeling against them, but I think they must also realise that we are not yet masters in our house. And therefore we cannot do as we please.

1 P.M. But we are also obliged to think of our interests first. I quite see their point of view, that this protection, this differential duty, does mean an advantage to the United Kingdom goods against Japan. I quite see also, apart from the argument of Mr. Birla, that even the finer counts are in a way competitive goods. But apart from all that, it is admitted by the Government, subject to Mr. Chetty's amendment, that 12½ per cent. of the United Kingdom goods are admittedly competitive goods. Mr. Chetty's amendment has reduced that percentage of 12½ per cent. to now about 8 or 8½ per cent. roughly. To that extent, Government have yielded as far as the United Kingdom is concerned. I quite realise all that. But what did Mr. Birla say? He said: "If the protection is not given by the end of May, almost all the mills will close down and will have to resort to lock-outs". Do you want me to take that responsibility? I cannot; I will not.

Dr. B. S. Moonje (Nagpur Division: Non-Muhammadian): Throw that responsibility upon the Government.

Mr. M. A. Jinnah: Government have made their position quite clear. The responsibility is entirely theirs for this, but speaking for myself and my party, we are not in a position to endorse the scheme of the Government. We are not yet satisfied with it. They themselves have made it clear that it is subject to further examination. But as an emergency measure, I cannot oppose this Bill for the reasons I have given; and if we find that this Bill is in danger, we reserve the liberty to act as we may think proper and it seems that in that case we shall be obliged to support the Government.

Sir Zulfqar Ali Khan (East Central Punjab : Muhammadan): Sir, I think it is the duty of all Members to consider this measure very carefully before they pronounce any responsible expression of opinion in this House and it is with that full sense of responsibility on this occasion that I venture to express my opinion. Sir, I am convinced that sometimes one feels in this House like Alice in Wonderland. I have had the benefit of hearing long speeches and the wisdom I have drawn from experience is that I should make short speeches and only deal with facts. Now, Sir, with regard to the measure before us, it touches and involves so many different interests that I may say that the principal interests involved are the interests of the producer, the interests of the millowner in India and the interests of the consumer. With regard to the interests of the producer my own province, the Punjab, I venture to say, has a great deal to say. In the Punjab, as the House is aware, we have built up a magnificent edifice of agricultural industry. Although the land there is greatly depreciated, still it commands very high prices, and our rural classes are, reasonably speaking, much better off than those of any other province in India. These rural classes have gained on account of the export of wheat and cotton. In the Punjab, large areas are assigned to these two crops and it is due to these agricultural operations that our prosperity is due. Now, Sir, if there is any competition in buying cotton in India, it is a self-evident fact that the producer in India gains a good deal. But if you eliminate rich competitors, there is no doubt that the producer, for example, in my own province, the Punjab, would be badly hit, and for this reason my primary duty is to give expression to the view of these rural classes in the Punjab. Japan is a very good purchaser of cotton in India and so is Lancashire. If Japan, on account of the protective duties, is eliminated from competition for the Indian cotton, then, I am afraid, the depreciation of the value of cotton will prejudicially affect the land also. Our prices of land in the Punjab, as I have already said, range very high, and this is a great gain to the rural classes. But if cotton depreciates or goes down in value, then the value of the land also decreases. This is one consideration.

The other consideration is that this Bill involves a loss to the consumer. If Japan can outbid or undersell Lancashire, then the consumer in India naturally gains. As we have seen, Lancashire's trade, on account of competition with Japan, has greatly decreased and suffered. I have no doubt that the Honourable Member here present, feeling the great necessity of helping both the producer and the consumer, will tend towards the opinion to reject this Bill. There are however greater and mightier problems involved, and I would humbly request my Honourable colleagues that they would liberate their minds from the yoke of entrenched prejudices and approach this problem with a wider vision and the imagination of true statesmen. All the speeches that I have heard so far, during the course of the last week, had in them a very important ingredient, and it was this, that Great Britain should bear in mind that India is expecting her to grant Dominion Status to her, and that the people here are on tip-toe of expectation, and that if these expectations and hopes are disappointed or frustrated, there would be great trouble. We are aware that, in order to achieve this object a great Ambassador of Peace in the person of Lord Irwin, the present Viceroy, has been striving to bring about some form of consultation which is known by the name of the

Round Table Conference and these round table experts going to England would settle the problem in conversation with the Cabinet there. . . .

honour is due to him. I am not partial. . . .

Sir Zulfiqar Ali Khan: Experts they would be when they are selected from this vast population. Lord Irwin deserves the support of all people in that, and I am perfectly sure that Members here will not refuse to give that support to him. He is doing things in an honest and conscientious and bold manner. He has set his heart on it, and for whose good? I dare say it is for the good of both England and India. Nobody can deny that we have a great future before us if we only know how to act with tact and *savoir faire*. If I give honour to Lord Irwin, it is because honour is due to him. I am not partial.....

Mr. President: This is all irrelevant.

Sir Zulfiqar Ali Khan: I am tending towards the relevant part.

Mr. President: I quite believe the Honourable Member.

Sir Zulfiqar Ali Khan: It will soon be before your vision, Sir. Lord Irwin is striving for a great object, and I think we must help him towards achieving that object. If India wants to approach nearer to that goal, if India wants to be put on a higher pedestal, then she must know that she cannot secure that object by fighting, because she is not in a position to fight, it would redound to her interest more to gain her object by negotiations. I have no doubt that we have sense enough to see that the only way open to India to achieve her object is to carry on negotiations, and if possible to win over and conciliate opinion in Great Britain.

Mr. N. O. Kelkar (Bombay Central Division: Non-Muhammadan Rural): Does the Honourable Member support or oppose the Bill?

Mr. Fazal Ibrahim Rahimtulla (Bombay Central Division: Muhammadan Rural): He has not yet come to the Tariff Bill.

Sir Zulfiqar Ali Khan: Why is the Honourable Member in a hurry?

Mr. N. O. Kelkar: I would like to know in order to follow the Honourable Member the better.

Sir Zulfiqar Ali Khan: The Honourable Members are used to longer speeches.

Mr. N. O. Kelkar: But they were intelligent.

Sir Zulfiqar Ali Khan: It is only natural that, when I speak of India, I consider that my country must stand first. But then, Sir, when I consider that my country has the first claim on my consideration and my devotion then whether it is my individual humble self or whether it is anybody else, he must courageously express his opinion before this House. The question is whether India loses by accepting this Bill. The danger as indicated by other speeches is that it may carry with it some form of Imperial Preference. My Honourable friend, Mr. Jinnah, has carefully dealt with the question of Imperial Preference, and I may ask when Great Britain has practically granted and conceded tariff autonomy to India, then is it gracious on our part and is it wise, or even expedient, to use the weapon which she has placed in our hands against Great Britain herself? Now, herein lies the whole problem in a nutshell. Are we going to use that weapon against Great Britain which she has handed to us? Is it wise or expedient for us to use it against her?

Mr. M. S. Aney (Berar Representative): We may use it to cut our own throat?

Sir Zulfiqar Ali Khan: No, no. We are not doing so. We are keeping it in reserve, and if we find that our interests are not served by generous and liberal treatment of this problem, we can always use that weapon which is handed to us. But now, this message from the British Cabinet which comes to us is significant, for if fiscal autonomy were not granted to us there was no *raison d'être* for sending that message to us. It is clear enough that they want your help at this juncture. Are we willing to give that help to them? Is it in our interest to give that help to them? Shall we play the game? Are we capable of playing the game? I think all those Honourable Members who are sitting here, however wise they may be in their generation, will miss a great opportunity if they lose this chance of showing that they are willing to make material sacrifices to gain a great and lofty object. Well, Sir, I for one would say, sacrifice in the interest of suitable Dominion Status. Why are you suspicious? Do you think that, if you conciliate British opinion, even then you are in danger of being deprived of this position? I do not believe it. You must be wise, you must be cautious in handling these questions. Will you gain by hurting, injuring and by denying to the British public what they have begged of you?

Mr. N. O. Kelkar: Sir, may I ask one question of the Honourable Member? I am trying to understand and follow him. He has referred to the message from the Cabinet and the telegram. In what connection does he take that message? Does that message relate to the increase of the tariff duty from 11 to 15 per cent. or to the imposition of a 5 per cent. additional duty? By that message what does he understand? Do they want to come down from 15 to 11 per cent., or to put up 5 per cent. additional against Japan? In what connection between the two does he take that message?

Mr. K. Ahmed (Rajshahi Division: Muhammadan Rural): Don't answer him; address the Chair. (Laughter.)

Sir Zulfiqar Ali Khan: I think the Honourable Member has sense enough to read between the lines. It is not for me to teach him or to interpret the meaning which is perfectly clear. I am helping him according to my lights and if he is not willing to follow the light he can follow whatever he likes.

Sir, I should deprecate it very much if what I say is not taken or considered in its true perspective by my Honourable colleagues. Am I, as an Indian, not willing to demand autonomy or a suitable form of Dominion Status for India? As a son of the soil am I not as anxious as these gentlemen on my right to enjoy the status of men who live in the Dominions? If these my Honourable colleagues will only consider what is in the true interest of India I have no doubt—and I have great faith in their wisdom—that they will concede what may be to some extent material to them in the higher interests of India.

Mr. B. Das: Will the Government Members make that statement . . .

Mr. President: Order, order.

Sir Zulfiqar Ali Khan: Then, Sir, supposing this little sacrifice is made, it is only for a limited period of three years. After that, the whole thing will go into the melting pot and you will give it any shape you like. But for three years, are you going to deprive the country of the chance of getting that status which our souls require, Dominion Status or any form of Dominion Status, that you are going to negotiate there? (*An Honourable Member:* "Will you get it in return for this?") Not in return for this, but you are going to conciliate them in order to prepare the ground for yourself.

I declare that if, on this solemn occasion, pettiness and narrow-mindedness are shown, and no regard is paid to the true interests of India, I am afraid these gentlemen will have to shake their heads in sorrow.

Sir, in the end I appeal to my countrymen to have some vision, a vision which will have before them the radiant edifice of a great country enjoying the liberty which God gave them originally but which they were deprived of. But I do hope that, on this occasion, they will play the game.

The Assembly then adjourned for Lunch till Twenty-Five Minutes to Three of the Clock.

The Assembly re-assembled after Lunch at Twenty-Five Minutes to Three of the Clock, Mr. President in the Chair.

Sir Gowasji Jehangir (Bombay City: Non-Muhammadan Urban): Mr. President, it will, I think, be readily admitted, and with some confidence, that the majority of the Honourable Members of this House are now convinced that the textile industry of India requires protection and that it has been more than justified.

But from speeches that we have heard up to now, there have been one or two Honourable Members who have expressed considerable doubt. Now, Sir, I am not going to burden this House with a large number of figures to prove that protection is necessary and justified. I think the Honourable the Finance Member stated that a Tariff Board had not been appointed to consider this question in all its aspects. But a Tariff Board was appointed, and it did report in 1927 and the conclusion they came to was that protection was justified. Unfortunately, the recommendations of that Board were not accepted by Government. Since then, several committees have been appointed, and lastly we have got a very valuable report by a Government officer who, I am pleased to see, is an Honourable Member of this House, which clearly shows that the competition which the industry has today to face is of a character which justifies protection. Now, Sir, I will put it to the Honourable Members of this House that from their own experience, they will be able to assert that Government do not propose measures of protection unless they are absolutely convinced. The best proof that protection is necessary is the proposal of the Government, and I am informed that specially my Honourable friend, the Member for Commerce, is not easily convinced in such matters; that he requires facts, figures, proofs, before he comes to a conclusion, and therefore, if my Honourable friend, the Commerce Member, puts forward proposals for protection of an industry, I think this Honourable House may take it as convincing proof that protection is necessary.

[Sir Cowasji Jehangir.]

Now, Sir, if I may be permitted to do so, I will deal with a few points that have been urged before this Honourable House by my Honourable friend, Diwan Chaman Lall, and if he does not consider it presumptuous on my part to do so, I may be allowed to congratulate him on his lucidity and eloquence. I regret I cannot congratulate him on the logic of his arguments or the correctness of his facts. Sir, Honourable Members who were Members of this House in 1927 must have heard my Honourable friend, Diwan Chaman Lall, with mixed feelings. They must have been quite familiar not only with his arguments, not only with his quotations, but even with his language. For, in looking up the debate that took place here on the 7th September, 1927, I find that my Honourable friend made a speech in this House (*An Honourable Member*: "Not in this House, but in Simla.")—this House whether it was in Simla or Delhi—in this Honourable House, which is, word for word, a repetition of the one which he inflicted upon this House a few days ago. Sir, I admit he made certain changes in his speech to suit the present occasion. He also gave this House a few quotations from a Report that has come out very lately; but beyond those alterations, my Honourable friend's speech was nothing else but a repetition of his speech of 1927. He on that occasion informed the House that the mill industry of Bombay had, within a certain period, made large profits. These are his words as reported in his speech of 1927, which he repeated practically word for word on the present occasion. He said:

"178 per cent. of the total capital invested in the industry has been distributed in dividends to the share-holders of this industry."

Now, Sir, I contend that it was not a fair statement of facts. He employed a most unorthodox method of arriving at that figure. In the Tariff Board's Report, there is a table which shows the dividends paid by the mills from, I think it was, 1917 to 1925, and my Honourable friend actually added up the percentages from the years 1917 to 1925 and came to the figure of 177·9. Now, Sir, I will ask any Honourable Member who knows the mere elements of statistics to say whether profits can be calculated in this manner. I will give you an illustration. Suppose a company makes a profit of 5 per cent. a year and in ten years, it will be 50 per cent. Can it be said that that company has paid 50 per cent. dividends in 10 years? It is only 5 per cent. a year, 5 per cent. which the shareholders are justified in getting. If you say 50 per cent. in 10 years, it sounds a big amount. But that was not the only mistake. He made another very big mistake. He has said that this profit is the profit on the capital invested in the industry. It is nothing of the sort. If he had looked more carefully

Diwan Chaman Lall: On a point of personal explanation, Sir. I never said anything of the sort. The Honourable Member is misquoting me. What I said was this. "This is the dividend paid on the paid up capital, as reported by the Tariff Board during these years."

Sir Cowasji Jehangir: Here is the quotation, Mr. President, word for word, my Honourable friend cannot deny it, it is in cold print: "178 per cent. of the total capital invested in the industry has been distributed in dividends to the shareholders of this industry". (Diwan Chaman Lall rose to interrupt.) The Honourable Member will not be able to interrupt me.

Diwan Chaman Lal: The Honourable Member is non-sensically misquoting me.

Sir Cowasji Jehangir: I am not misquoting him. Honourable Members of the House are the judges. "178 per cent. of the total capital invested has been distributed", he said, and he had deliberately intended to mislead this Honourable House.

Diwan Chaman Lal: Time and again I have stated that the capital I have taken is paid up capital.

Mr. President: Order, order. The Honourable Member is not willing to give way.

Sir Cowasji Jehangir: All I can say is that I read it in cold print, I cannot go behind it; I cannot know what he really intended to say. Well, Sir, what he did say, was that the companies paid in Bombay dividends to the extent of 178 per cent. on the money that was invested. If he had looked further into the Tariff Board's Report, he would have found a table which shows that, even according to his unorthodox method of calculation, the percentage was 80 and not 178. Well, Sir, I will leave that point, and my Honourable friend may convince this House and myself on another occasion. But my Honourable friend seems to forget little and learns less, for on that occasion Sir Victor Sassoon pointed out that the profits of the companies in Bombay had been $7\frac{1}{2}$ per cent. for the 10 years preceding the date on which the speech was made. I now understand that, taking the lean years that have occurred since then, the profits are 5 per cent. If that is making very handsome profits during a period of years, it is for this Honourable House to judge. Then, Sir, my Honourable friend accused the mill industry of Bombay of frittering away their profits, but he forgot, I do not say deliberately, it may be out of ignorance, he forgot to tell this House that Japan also gave large dividends in their years of prosperity.

Diwan Chaman Lal: They are not asking for protection?

Sir Cowasji Jehangir: I must admit what my Honourable friend said about the reserves taken by the Japanese mills. The Japanese mills did take large sums to reserves, larger sums than in Bombay, but my Honourable friend forgot to tell this House that the Japanese mills were working double shift, and that the depreciation on their machinery was much more than 100 per cent. of the depreciation in Bombay. If my Honourable friend knows anything of the industry, he would have known that working double shift means a much greater depreciation of machinery. Then my Honourable friend said the Ahmedabad mills conserved their profits, and that is why they find themselves in a better position than the mills in Bombay. I have been able to obtain the figures for Ahmedabad and Bombay for the years 1921 and 1922, and if you, Sir, will forgive me, for inflicting upon the House just a few figures, I will illustrate what I mean. In Bombay the dividend on gross profits in those years was 53 per cent., in Ahmedabad it was 65 per cent. Depreciation on gross profits in Bombay was 21 per cent., in Ahmedabad 16 per cent. I think these two comparative figures will show that, in years of prosperity, Ahmedabad was no more conservative than Bombay. Now, Sir, just to conclude this point, I would like this Honourable House to know what

[Sir Cowasji Jehangir.]

the Tariff Board has to say, as my Honourable friend drew a good many of his arguments from figures obtained from the Tariff Board's Report:

"We would again emphasise the view put forward in the preceding paragraph. Neither over capitalisation nor the unduly high dividends in the boom period can be said to be the cause of the subsequent depression."

Sir, that is the opinion of the Tariff Board which was so freely quoted by my Honourable friend when he said that the present condition of the industry was due to its extravagance and profligacy during prosperous years.

Diwan Chaman Lall: Over-capitalisation accentuated the depression; that is what the Tariff Board said in paragraph 39. Quote correctly.

Sir Cowasji Jehangir: Then, Sir, he drew a lurid picture of the housing conditions of the working classes in Bombay. I think I am right in saying that most Honourable Members who have been to Bombay know that we are ashamed of the housing conditions of the labouring classes in the city, and I know, Sir, that the Honourable Members of Government on the opposite side are fully aware of the conditions. But did my Honourable friend, Diwan Chaman Lall, when he drew that lurid picture of the conditions of the poorer classes in Bombay, tell this Honourable House, what the mill industry has done to better those conditions? That was not convenient to his argument, so he left it out. Now, the mill industry in Bombay has spent 75 lakhs of rupees in the construction of chawls. Some owners of mills have done that, and over and above that, the industry makes a contribution of about 10 lakhs a year to the Government housing scheme. Well, Sir, I am quite prepared to admit that, on account of certain circumstances which I am not now going to explain, the housing conditions in Bombay have not been perfect, but the accusation that the mill industry in Bombay has done nothing is not true, is an incorrect statement of facts placed before this Honourable House with the object of biasing them against any proposals for protection. Now, Sir, my Honourable friend glanced through a book or two and came forward with the bold statement that wages in Japan were higher than in Bombay. The only figures he gave this House were that the average wage of a woman worker in Japan was Rs. 40, but in Bombay the average wage of a man was Rs. 80 to 85. Quite correct, but he stopped there, he went no further; he did not tell this Honourable House what work the woman does in Japan, as compared with the work done by the man in Bombay. I will give just a few figures, Sir, if you will pardon me. In Japan the wages of a woman weaver are Rs. 2-4 per day and she works from 5-5 to 6 looms. The wages of a man weaver in Bombay are Rs. 2 per day, and he works two looms. Which costs more, and which is cheaper, Japan or Bombay? Let me quote some further figures. In Japan a woman gets Rs. 1-14-6 a day for 600 spindles; in Bombay, a man gets one rupee per day for less than 200 spindles. And perhaps my friend will admit that the wages in Japan are much lower than in Bombay, and what is more is this. These wages include the expenses incurred for welfare work and recruiting charges. I think the argument that Bombay gets its work done cheaper than Japan has been completely exploded long ago, and that to have come forward with an argument that we pay much less for our workmen in Bombay than in Japan is, to say the least of it, perfectly incorrect.

Then, Sir, my Honourable friend went on to talk about the sweating of labour in Bombay, and he gave as an example the methods adopted by a certain group of making their labour work more looms than they are doing at present without paying them anything extra. It is a perfectly incorrect statement of fact again, Mr. President. It is true that the efficiency scheme of a certain group in Bombay did include a scheme to try and make the workmen look after three looms instead of two, as suggested by the Tariff Board, but gave them 33½ per cent. more wages. The result was the strike. Now, Sir, before my Honourable friend goes into the question of the efficiency of the management in Bombay mills and the question of the efficiency of labour, I would like him to go into question of the efficiency of some of the labour leaders in Bombay, and if he would only be instructed on this important point, he would find that, to some extent, the actions of some of the labour leaders in Bombay were responsible for the inefficiency of the workmen, and if my friend wants to know what is done in Japan with such labour leaders, I would refer him for further knowledge to his friends the Japanese, for whom he has acquired such a sudden affection. Mr. President, we know what short shrift labour leaders who are up to mischief get in Japan. My friend talked a great deal, as I have already said, about the want of efficiency of our workmen, and if he will only attempt to improve the efficiency of the labour leaders he will have done a great service to the mill industry.

And, Sir, while asking for guarantees as to what amount of the so-called profits—I do not know on what—the mill industry should give to labour if these proposals of Government are passed, I would like my friend to give a guarantee in return that he will see that the efficiency of labour is improved. Is he prepared to give that guarantee?

Diwan Chaman Lal: It is your business and not mine.

Sir Cowasji Jehangir: He says it is our business and not his. It is his business to criticise; it is his business to throw the whole question into confusion; it is his business to go and abuse an industry that has served India so well; it is not his business to help the industry; but it is his business to agitate; it is his business to set up labour against capital; it is his business to see that labour is as inefficient as can be; it is his business to see that labour does not work and it is our business to see that the millions of the population of this great country are clothed . . .

Mian Mohammad Shah Nawaz (West Central Punjab: Muhammadan): Why are your employees listening to the labour leaders and not to you if they are paid well?

Sir Cowasji Jehangir: I will give a very short reply, Sir. If labour leaders have the cheek to go and tell the ignorant, illiterate workmen that, by striking and agitating, they can get control over the mills, that in these days of starvation and hunger and short work their insides can be filled by strikes, is it not natural, I ask, that these poor ignorant workmen fall victims to the preachings and doings of the labour leaders?

Mian Mohammad Shah Nawaz: That is not a convincing argument at all.

Sir Cowasji Jehangir: These labour leaders come to Bombay and deliberately incite the workmen to strike. The millowners are most anxious to do what they can to assist labour, and in spite of this, the labour leaders, in season and out of season, have gone on inciting labour with promises which they can never fulfil, to strike and not to do any work. That is the short answer.

Mian Mohammad Shah Nawaz: That is not at all convincing.

Sir Cowasji Jehangir: There are so many points and so many fallacies that my friend propounded that I do not propose to go into all of them, but I must draw attention to one fallacy that he propounded. He took up a big book and tried to throw it at the head of my friend Mr. Mody. Luckily no physical injury was done. He asked him to point out the articles of the Washington Convention which the Japanese have not honoured in the spirit as well as in the letter. Sir, he need not have referred to that big book; he could have got it in the Tariff Board's Report. There that article is given very clearly and in a very concise form. It does not want a man of high literary ability to understand what that article means. It says that no woman, and no child shall work at night and that a night shall be defined as 11 consecutive hours, which should include the hours from 10 at night to 5 in the morning. Now, Sir, he admitted that the Japanese work two shifts of 8½ hours, or 17½ hours, and that in those two shifts women are made to work. May I ask how the Japanese can conform to the Washington Convention unless my friend thinks that in Japan a day consists of 30 hours instead of 24 hours? What is more, Sir, is this. I know as a fact that that Convention has not been ratified by Japan, while it has been ratified by India.

Diwan Chaman Lall: You are wrong.

Sir Cowasji Jehangir: Still he says I am wrong. I fear, Sir, that my friend has missed his vocation. He should have been an actor. I am quite ready to admit that the loss would have been ours in this Assembly; and the stage would have gained, I am quite prepared to admit that we should have lost a congenial and jovial friend; but still I feel that my friend has missed his vocation; he should have been an actor not a labour leader, because the whole of his performance before this House with his incorrect facts and figures was a good piece of acting. I am quite prepared to admit that the millowners of Bombay are not perfect by any means; I am also prepared to admit that the housing conditions of our labour are not perfect in Bombay. I am further prepared to admit that the industry is not run perhaps under certain owners quite as well as it might be; but, Sir, I am not prepared to admit all the accusations that have been made before this House by my friend Diwan Chaman Lall. I want to be fair. I will come to now to one more point.

Mr. President: Not about Diwan Chaman Lall?

Sir Cowasji Jehangir: I will leave my Honourable friend to his conscience. I would like Honourable Members to visualise the condition of this country if there had been no indigenous textile industry. Would not the foreigner then have bled white the poorest of the poor consumers? Has not this industry for the last 50 years clothed the poorest of the poor, and did it not help to keep down prices, and has it not, during the last few years, paid out of its own capital, losses which have tended

to keep down prices? Wipe out that industry and our foreign friends will become masters of the market and will raise their prices against the poorest of the poor. You will have lost, Mr. President, the only insurance in this country against profiteering if you lost the mill industry of this country. I would ask Honourable Members to look upon this aspect of the case and I would also ask my Honourable friend Mr. Ghuznavi to consider what the mill industry has done for this country. I will not go into his speech. A good deal of it I could not understand. It lasted for a long time and I do not propose to deal with it. I will also leave him to his conscience. But I will ask him to consider the position of the poorest of the poor in this country. If he insists on not giving protection, it means his insistence on closing many of the mills. The effect on the poorest of the poor will be disastrous.

Before I conclude, Mr. President, I should like to touch upon the question of Imperial Preference. It could be better done when we come to the amendments, but since so much has been said, I would like to give this Honourable House what is the best definition I could get of Imperial Preference. It is as follows:

"The principle of Imperial Preference is that each part of the Empire shall give specifically favourable treatment and facilities to the products and manufactures of other parts of the Empire."

That is the most authoritative definition of Imperial Preference that I can find. It means that any Dominion that accepts this principle, on every occasion that it has to consider duties or tariffs must keep prominently in mind the interests of other parts of the Empire. I am not prepared to accept that definition, and I contend that no Dominion has accepted that principle in practice, in the sense of acting up to it. Mr. President, whether that principle actually applies to the proposals of Government or not, I do not mean to discuss just now. The opportunity will arise when amendments are moved, but I think it is only fair to say that it will have to be proved even now that no injury is done to India by the preference shown to Great Britain. I am prepared to go into that question at a later stage of this Bill.

My Honourable friend, Mr. Birla, talked about the protection not being adequate. I was not able clearly to understand what he meant by adequate. If he meant to say that the protection was not adequate to enable the mill industry of India to overcome all foreign competition, including that of the United Kingdom, I agree with him. The protection is not sufficient to enable the mill industry of India to capture all the trade that is in the hands of foreigners today, but if he meant to say that the protection was not adequate to help the mill industry in its present difficult position, that it is not capable of helping the industry to get out of the most depressing condition in which it is at present, I cannot agree with him. It was clearly stated by Government that it is a transitory measure, that it is only intended to help the industry for the next three years to get into its old position, and at the end of the three years, Government and this Honourable House will have to consider whether that protection should not be increased to enable the industry to develop and capture the market in India in all grades. Well, Sir, I believe that my Honourable friend, Mr. Birla, talked about the protection being inadequate in the first sense, but we clearly understand the position and we clearly realise that it is only a temporary measure. We hope for better things to come.

[Sir Cowasji Jehangir.]

Mr. President, I do not propose to take this Honourable House at this stage through a mass of figures. I have got a file full of them. I propose to keep them for the next stage. I cannot at present agree with the figures given by my Honourable friend, Mr. Birla. He has told us that our demands in this country are 3,600 million yards. I am not sure that that figure is correct. These are hypothetical figures. All our figures are more or less hypothetical.

Mr. Ghanshyam Das Birla: What are your figures?

Sir Cowasji Jehangir: He has taken the imports *plus* the highest capacity of manufacture of mills in India and calculated the total demand of this country. I do not approve of the method of calculation. But if I go further, I will be led into placing before this Honourable House a mass of figures that I have got ready which really are intended to be considered and discussed when we come to the next stage. I can only appeal to this Honourable House to allow us to come to that stage, and when we do come, I trust it will be shown that the proposals that are before us are not for Imperial Preference. Under those circumstances, Mr. President, I would ask each Honourable Member not to be guided by the fact that we are asked to swallow the pill of Imperial Preference. Government themselves have told us that they are not committing us to Imperial Preference. I am certain they knew very well that there would be very few Honourable Members in this House who would be prepared to commit themselves, and the very fact that Imperial Preference is not a principle of the Bill is proved by there being amendments on the agenda which do not give preference to the United Kingdom. If Imperial Preference had been the principle of the Bill, such amendments would have been out of order and therefore Imperial Preference is not the principle of the Bill before us. But that Imperial Preference has been most prominently brought before this House, nobody can doubt, and therefore I have nothing to complain about Honourable Members arguing on the merits of Imperial Preference. How can I complain when I myself have been protesting against Imperial Preference, but I would ask Honourable Members to reserve their judgment for a day or two before coming to a definite conclusion that this Bill should be turned down.

Mr. K. C. Neogy (Dacca Division: Non-Muhammadan Rural): Sir, I have not been a very friendly critic of the Bombay millowners in the past and therefore I want to explain my position by saying that, on the present occasion, I am quite prepared to give adequate protection to the mill industry of India. When I had occasion to criticise the Bombay mill industry in 1927, the circumstances were quite different. The Government proposals themselves were halting and were not in accord with the recommendations of the Tariff Board. Three years have passed by, and we find that, although the condition of affairs which was related to us in 1927 in justification of protection, applied more strongly to Bombay in those days than to the rest of India, today it cannot be denied that the entire textile industry of India is suffering from a depression and has got to be protected. Hard things have been said by some of my Honourable friends against the Bombay millowners. It is no doubt true that things were quite abnormal in the Island of Bombay so far as the textile industry is concerned a few years back. But Bombay on that occasion was only suffering from an economic insanity that was ranging in most parts of the

world in an epidemic form. Even Lancashire itself was a prey to that malady. I remember to have read in the Report of a Committee that was appointed in 1924 under Lord Balfour's chairmanship that, in a very large number of concerns in Lancashire, there was over-capitalisation of the same nature as we find to have happened in Bombay. Similarly, inefficiency of organisation, absence of centralization, absence of rationalization—all these charges used to hold good in respect of Lancashire in those days as they did in the case of Bombay. It may be that, in Bombay, owing to her sins of commission and omission, or because of the fact that she is subject to the evils of the Western commercial methods to a large extent than the other manufacturing centres of India, when the depression came it fell in its full blast on Bombay, but its effect was not felt so keenly in the other centres of textile manufacture. But, Sir, as I said, that depression is now being felt almost all over India, though in varying degrees. I want to make it quite clear that, pledged as I am to see every industry of India getting the support that it deserves at the hands of this House, I am not.....(Interruption by Mr. B. Das.) My Honourable friend Mr. Das corrects me by saying that every national industry deserves assistance from this House. But, Sir, I am not going to enter into a quarrel at the present moment as to whether the mill industry of India deserves to be called a national industry or not. Whether the cotton industry is a national industry, as has been claimed by my Honourable friend Mr. Mody, or whether it is an industry of great national importance, as it has been described to be by my Honourable friend, Dr. Hyder, it makes no practical difference to me. But although I am prepared to give adequate protection to the cotton industry of India, I am not prepared to accept the proposed method. My Honourable and esteemed friend, Mr. Jinnah, asks as to whether we are not prepared to allow even a broken crutch to the wounded textile industry of Bombay so that it may jog along the road for a little while till sufficient help arrives. Sir, if I may vary the metaphor to a certain extent, I would say that I quite realise that the Bombay mill industry lies prostrate in the streets and is thirsty, and I am quite prepared to try my best to find a drink to allay the thirst of the Bombay mill industry. But I must do my best to prevent the Bombay industry from trying to allay its thirst with the help of a cup of water which I believe is laden with germs. I am prepared, as I said, to try my best to find a cup of purer water for the Bombay mill industry. But I am not prepared to assist the Bombay industry to commit suicide. (Hear, hear.) Sir, my Honourable friend Mr. Jinnah was one of those Indian leaders along with you, Sir, who laid the case for India before the Joint Parliamentary Committee when this Government of India Act was under discussion. He among others laid the greatest stress on fiscal autonomy for India. I was therefore very much interested to hear his interpretation of the convention of fiscal autonomy which we are told India enjoys at the present moment. My Honourable friend blessed.

Mr. M. A. Jinnah: I asked for quite a different thing. What is given is quite a different thing.

Mr. K. C. Neogy: Exactly, Sir. I do not say that Mr. Jinnah is quite satisfied with what we have got, but I merely mention the fact that his name is associated with the fight for our constitutional rights that was made before the Parliamentary Committee in the year 1919. I was therefore quite interested to find that Mr. Jinnah gave an interpretation

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of this convention, which is not quite the same as has been given by most of the Honourable Members on this side of the House. Sir, my Honourable friend pointed out that the convention requires an agreement between the Government of India and this Legislature in order to enable it to operate, and he quoted from the Report of the Joint Parliamentary Committee to illustrate his point; and you, Sir, pointed out that in that very Report, the case of Australia, and even the case of the British Isles—the Government of the British Isles—is referred to as an analogy when the Joint Parliamentary Committee say that India must enjoy fiscal autonomy of the very same character. It is no doubt true that the Joint Parliamentary Committee laid it down as a condition that there should be an agreement between the Government of India and the Legislature in regard to fiscal matters, in order that the Secretary of State may abstain from interfering with our decisions thereon, as he is quite entitled to under the Government of India Act. And what is the effect of the acceptance of the interpretation put by my Honourable friend on this convention? The Government of India, in this particular instance, have been released from responsibility to the Secretary of State, because that is of the essence of this convention. The Government of India is a free agent. If the convention means anything, it means that the Government of India's position is absolutely unfettered so far as fiscal matters go. Now, Sir, if we are to accept the interpretation of my Honourable friend, then it has got to be said that the Parliament intended to make the Government of India an autocratic authority in this matter. For what is the position as presented by my Honourable friend Mr. Jinnah? The Government of India make up their mind as to whether a particular proposal is to be adopted or not, in advance of any discussion in this House, as has happened in this particular case. The Government of India come before this House and say, "This is our proposal. If you agree to it the convention operates, if you do not agree, we defy you". The Government of India are not responsible to the Secretary of State, as I said, under the convention. The Government of India are not responsible to this House. The Government of India are in the position of Dictators to this House. I do not know, Sir, whether Government will accept this particular position, but on the interpretation put by my Honourable friend there is no other alternative. May I, in this connection, point out that this very question, though not in exactly the same form, was considered by Lord Crewe's Committee? That was, I believe, just before the Joint Parliamentary Committee sat. The terms of reference to Lord Crewe's Committee required it, among other things, to examine the relations between the Secretary of State and the Government of India, both generally and with reference to the relaxation of the Secretary of State's powers of superintendence, direction and control; and in paragraph 15 of the Report, it will be found that the Committee recommended, while discussing the question of legislation, as follows:

"In order to give proper emphasis to the Legislative authority of the Assembly, we recommend that, whenever legislation has the support of a majority of the non-official Members of the Legislative Assembly, assent should be refused only in cases in which the Secretary of State feels that his responsibility to the Parliament for peace and order and good government for India are paramount and considerations of Imperial policy require a reconsideration of the matter at issue by the Legislative Assembly."

This was the recommendation with regard to the question of relaxation of the Secretary of State's control in the domain of legislation.

The next paragraph deals with fiscal questions. Paragraph 16, and this is the recommendation:

"We recommend that a joint decision of the Government of India and a majority of the non-official Members of the Assembly reached by discussion of a Resolution should be given the same degree of authority as similar decisions of legislative proposals and that the principle we have stated in paragraph 15 should be applied in those cases."

The committee at that moment was considering the procedure which was then contemplated to be laid down for this House, namely, that the budget proposals should not be voted upon by the Legislative Assembly but that, as in the old Imperial Legislative Council, Members should be free to move Resolutions with regard to financial matters. That is what the Committee meant when it referred to discussions by Resolution. But I maintain the principle of that recommendation applies to this particular case. The Crewe Committee never intended that the Government of India should be a sort of autocratic authority who should be independent of the control of the Secretary of State, and at the same time also of the Legislature here. The convention which the Crewe Committee had in mind would operate only in case the Government of India could act in agreement with a majority of the non-official Members of the Legislature. Sir, may I appeal to the Government Benches to act up to the spirit of the Crewe Committee's recommendation in this matter because I maintain that that is the only sensible course open to them? They cannot claim independence both of this House as also of the Secretary of State (Hear, hear.) as they purport to do in this particular instance. Sir, before I leave this point, may I quote the significant words which were uttered by Mr. Montagu on the Third Reading of the Government of India Bill in the House of Commons. "The powers," said Mr. Montagu, "that are reserved to the Government and are not to be controlled by the representatives of the Indian electors must be exercised as though they were applicable to a country of growing national consciousness on the road to self-Government and not as if we were administering a great Estate".

Sir, may I for a moment now examine the correspondence that passed between the Secretary of State and the Government of India on this question? Not the full correspondence, because, although my Honourable friend Sir George Rainy claimed that he had taken this House fully into his confidence in the matter, he immediately corrected himself, when interrupted by my Honourable Leader, by saying that he was not prepared to place on the table the other letters, the previous correspondence, because that was treated as confidential. I do hope the contradictory position of my Honourable friend will be apparent to him on a consideration of the matter. Sir, I will read out once again an extract that has already been given to this House by my Honourable Leader, the message from the Viceroy to the Secretary of State dated the 12th February. This is what it states:

"As regards the second point in the Cabinet representation, the danger to British interests, we recognise that the possible decline in consumption of Lancashire goods may be a serious matter. But we are clearly bound to put India's interests first. We also recognise how important it is to India not to antagonise British opinion, and quite apart from this, we are of course concerned at this time to avoid unnecessary injury to British interests. We have carefully considered what we could do in this respect and while we cannot modify the general application of the 15 per cent. revenue duty, we are prepared to propose to the Assembly that as regards any additional and temporary protective measures their application might be limited to non-British goods, and that in these circumstances there should be imposed in addition to the 15 per cent. revenue duty a 5 per cent. protective duty with a minimum of 3½ annas". . . . etc.

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What are "these circumstances"? The circumstances have just been enumerated, namely, the circumstances relating to the necessity of not antagonising British interests, the desirability of not causing unnecessary injury to them. These are all the circumstances mentioned before this particular sentence. I will read that particular sentence once again:

"We are prepared to propose to the Assembly that as regards any additional and temporary protective measures their application might be limited to non-British goods, and that in these circumstances there should be imposed in addition to the 15 per cent. revenue duty a 5 per cent. protective duty, etc."

These are the circumstances that have led to the imposition of this 5 per cent. additional protective duty. My Honourable friends from Bombay are deluding themselves into the belief that this has proceeded from the sympathy which Government feel for them in their present distress. Nothing of the kind. In the first instance, the question of protection would not perhaps have arisen at all but, for the financial stringency of the present year. Reference has been made to the fact that the Tariff Board had already reported in 1927 and had made definite recommendations for granting protection to this industry. The Government of India would not look at that proposal at that time. My Honourable friend, in the plenitude of his wisdom, evolved a new scheme of protection which did not meet the needs of the situation, but on the other hand hit the handloom industry, as I propose to show when we come to the amendments.

Now, Sir, the proposals of the majority on that Tariff Board did not meet with the approval of Government, because they proposed a uniform addition to the import duty of 4 per cent. and coupled it with a recommendation that suitable bounties should be given for the purpose of encouraging the manufacture of yarns of certain counts. When Sir George Schuster finds himself faced with financial difficulties and the necessity of raising additional revenue, he at once comes to think of the depressed condition of the cotton textile industry of Bombay. Sir, I have a very good authority for making this statement that, but for the financial difficulties of the Government of India, they would not perhaps have considered the question of the protection of this particular industry. I have got a very good and a very great authority for making this statement, an authority whose *bona-fides* will not, I believe, be questioned even by Sir George Rainy. It is no other person than my esteemed friend Sir Padamji Ginwala, who, while speaking at a recent gathering in Bombay, said:

"The best hope of protection for Indian industries, however, appeared to lie not with the Tariff Board but in a series of deficit Budgets, and that only seemed to secure the much needed retrenchment of public expenditure and the protection of Indian industry."

That is really at the bottom of the whole scheme. As I have already shown, even the additional 5 per cent. protective duty was suggested not for the purpose of giving additional protection to the Bombay cotton textile industry, but for the purpose of appeasing Lancashire.

Sir, I shall now deal with Imperial Preference. Various definitions have been given in this House of this principle. Some of those who have supported this Bill in this House have claimed that this is not Imperial

Preference Others, those who have opposed the Bill, have done so mainly on the ground that this involves Imperial Preference. Sir George Schuster, while speaking on this motion, pointed out that there are other Colonies which have adopted the principle of Imperial Preference. I believe it was my Honourable friend, Mr. Chetty, who while speaking on the general discussion of the Budget, stated that the policy of Imperial Preference had not been adopted as a policy by any part of the British Empire; and while replying to this point, Sir George Schuster said that he did not accept this particular statement. And then he went on to observe that there are several Dominions like Australia, and so forth, who have granted tariff concessions for the benefit of Empire goods. But my Honourable friend was entirely silent as to what policy has been adopted by the British Government themselves; because we, in this particular proposal, are not concerned with the question of Imperial Preference as applied to goods coming from all the different parts of the Empire. We are concerned with the question of preference for British goods. Now, Sir, will my Honourable friend, Sir George Rainy, when he gets up to speak, tell us what exactly is the principle which is followed by the British Government in regard to this matter? It may be that Australia, Canada and New Zealand grant certain tariff concessions to Empire goods, but that is entirely beside the point while we are discussing this particular measure.

Now, Sir, of late we have been hearing a good deal about the economic unity of the Empire, Empire free-trade and different other schemes of that character. I remember that Empire free-trade was the slogan on which the still-born party known as the United Empire Party was started; and I was interested to read in the London letter of the *Statesman* the views of Mr. Baldwin with regard to India's position in connection with any question of Imperial economic unity that might be discussed:

"Mr. Baldwin, while speaking at a public gathering, laid the strongest emphasis on India's position as, for economic purposes, one of the already sovereign Dominions of the British Commonwealth of Nations, and I am told that he went, if anything still further in the long, closely-reasoned, and intensely personal address which he gave behind closed doors last evening to the inner two or three hundred of his Party."

The significance of this precaution of closed doors will not, I hope, be lost sight of by my friends who come from Bombay. (Interruption.) My Honourable friend, Mr. Mody, inquires why? I have in my hand a highly reputed Journal published from Bombay, *The Servant of India*, dated March, 6. This is what I find there. I hope my Honourable friend finds time to read papers published from his own Presidency. This is what it says:

"They agitated" (meaning the millowners of Bombay) "for heavy import duties on Japanese piece-goods and when the Government of India showed extreme reluctance to satisfy their demand, chiefly owing to fears of international complications, Sir Ness Wadia went to England with a view to bringing pressure to bear on the Government of India from Lancashire manufacturers who were said to have promised support in return for Preference." (Hear, hear.)

Sir, I do not know what my Honourable friend, Mr. Mody, will have to say about this particular allegation. But, as I said, the precaution of the closed doors of Mr. Baldwin's Conference may be significant.

Now, Sir, my Honourable friend, Mr. Jinnah, said we are not asked to commit ourselves to Imperial Preference in this particular instance;

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we are asked to give protection to the Bombay industry for the temporary period of three years, and in very exceptional circumstances, and therefore, although the present proposal will involve some amount of preference to the British goods, this need not deter us from according our support to this measure. My Honourable friend, I dare say, knows that, in the latest appeal which has been issued by Mr. Baldwin as the Leader of the Unionist and Conservative Party, he has adopted Imperial Preference as one of the chief items of the Party programme. May I read out just a few words from that particular appeal? Honourable Members will find this published in the *Times* dated the 25th of February. Mr. Baldwin was dealing with the United Empire Party slogan. He said:

"I interpret Empire Free Trade as meaning the economic unity of the British Empire, enjoying free trade within its own territories and supported by tariffs, where necessary, against the rest of the world. So interpreted, I hold Empire Free Trade as an ideal for which every Unionist should work. It is the goal towards which we must travel. It is our ultimate aim. Speaking as the leader of the Conservative and Unionist party, it is on national grounds that I appeal to our supporters to stand together and work for the practical policy of safeguarding, Imperial Preference and Imperial development."

Therefore, Sir, while we are told that, on this particular occasion, we should not be misled by the cry of Imperial Preference, we cannot ignore the fact that a very important political party, if not the most important political party in England, at the present moment has put this forward definitely as one of the chief planks of its platform. We cannot also forget that, in the case of steel industry also, thanks to the assistance given by my Honourable friend, Mr. Jinnah, the Government got this House committed to the principle of British preference.

Mr. M. A. Jinnah: I deny that there is Imperial Preference. My learned friend has not understood the principle.

Mr. K. C. Neogy: I never said Imperial Preference. I said British preference. Now, Sir, I do not suppose this Government or the Government in Great Britain care very much as to what reciprocity we allow as between this country and the other Dominions. All that Britain cares for is preference for her goods, and whether my Honourable friend admits this to be Imperial Preference or not, for all practical purposes this is the kind of Imperial Preference with which we are likely to be threatened from day to day. Now, Sir, we have admitted British preference in the case of steel. We are asked now to admit the principle of British preference in the case of cotton. What other important industry remains in which Great Britain is interested? (*An Honourable Member:* "Nothing.") My Honourable friend, Mr. Jinnah, says we are not committed to Imperial Preference. On the one hand, as I pointed out, we find a very important and powerful political party in England putting Imperial Preference in the forefront of its programme, and on the other, this House has already committed itself to British preference in the case of steel and is now asked to agree to that very principle in the case of another most important industry, namely, cotton. Now, Sir, what has been the result of British preference in the case of steel? I am again quoting from a Bombay journal and I hope that my Honourable friend, Mr. Jinnah, has read it.

Mr. M. A. Jinnah: I do not read every stupid journal.

Mr. K. O. Neogy: This is from the *Bombay Chronicle*. (Applause.)

Mr. M. A. Jinnah: I do read that paper, but I do not always accept what it says.

Mr. K. O. Neogy: I do not think anyone is ever expected to accept all that appears in the newspapers.

Mr. M. A. Jinnah: Very glad to hear it.

Mr. K. O. Neogy: I am not asking the Honourable Member to accept any opinion expressed in the *Bombay Chronicle*. I was going to quote certain facts from it. The Honourable Member will perhaps permit me to place what I have to place before this House. (Sir, it is pointed out, with reference to figures into which I do not want to go now,—I can send this paper round to Honourable Members who want to see it—that:

"Imperial Preference in steel has increased the import of British Steel by 250 per cent. in two years without doing much benefit to Tata Steel Works."

Mr. M. A. Jinnah: All that I can say is that it must be naturally wrong if you know the facts, because the preference that was given to the British steel was only 96,000 tons, if I remember it rightly, and that is all the British steel with which we were concerned in that Bill where we have given preference.

Mr. K. O. Neogy: Now, these are the figures.

Mr. M. A. Jinnah: If Mr. Neogy will show me that the import of that particular class of steel has increased, I shall bow to him.

Mr. K. O. Neogy: This is what I find. The passage runs as follows:

"When the Steel Protection Bill was introduced in 1927, there was Imperial Preference by the back door. In the Cotton Protection Bill, it is by open door. In Friday's debate in the Legislative Assembly, Sir George Rainy is reported to have asked Sir Purshotamdas, 'Was it for this that he as President of the Tariff Board proposed the Steel Protection Bill for India?' The proper reply to his question should be that the Bill gave more protection to British Steel works than to Tata Steel Works as will be seen from the following figures:

	Differential Tariffs.	
	British.	Foreign.
	Rs.	Rs.
Angles and Tees	19	30
Bar	26	37
Beams	19	30
Sheets	35	59
Plates	20	38

The imports from United Kingdom of these articles in 1925-26 is of a year before Imperial Preference and those of 1927-28 and 1928-29 are of two years after protection. The figures are in thousands of tons

	1925-26.	1927-28.	1928-29.
	Tons.	Tons.	Tons.
Angles and Tees	10	23	28
Bars	14	23	46
Beams	33	63	67
Sheets	10	18	23
Plates	10	18	23
Total tons	77	145	187"

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and the writer concludes that British Steel, in respect of these protected classes, has gone up by 250 per cent. in imports in two years without doing much benefit to the Tata Steel Works.

Maulvi Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Was not the Honourable Pandit Motilal Nehru more enthusiastic about protection to Tata Steel than Mr. Jinnah?

Mr. K. C. Neogy: Pandit Motilal never supported British preference. It will be evident to this House that the period of three years is not so short as my Honourable friend imagines for the purpose of enabling the United Kingdom to recapture the Indian market. She has been able to do it in less than three years in the case of steel, and she is quite capable of doing it in the case of cotton goods. Now, Sir, my Honourable friend Mr. Birla referred to Mr. Hardy's Report to show that it is not quite right, when we are discussing this question, to ignore the indirect competition between goods of different qualities, and he pointed out that, although India may not produce exactly similar goods as are produced in Lancashire, there would be very strong competition as between articles of varying counts. My Honourable friend gave two extracts from paragraph 22 of Mr. Hardy's Report. I have the advantage of speaking in the presence of Mr. Hardy, and I want to know from him what he meant when he made the following observation (paragraph 22, page 72 of Mr. Hardy's Report):

"If, therefore it should be decided at any time to impose a tariff on goods whose incidence is heavy on goods which can be produced in unlimited quantities from Indian cotton, and light on goods which cannot be so produced, it is desirable that the incidence of duty on the range of goods between the two classes should be shaded off imperceptibly so as to minimise this harm of indirect competition."

Mr. Hardy was entirely bearing out my Honourable friend Mr. Birla's apprehension. He said there must be some amount of competition between different counts, and for the purpose of guarding against this kind of competition the duties should be shaded off. I do hope he will explain what he meant by this expression, and I want him to tell us whether the present Bill is likely to achieve the object which he had in mind. If he is in a position to give a reply now, I am prepared to give way in his favour.

Mr. G. S. Hardy (Commerce Department: Nominated Official): I would refer the Honourable Member to paragraph 35 of my Report where he will find the suggestion more fully discussed.

Mr. K. C. Neogy: There is hardly time for us to go into a detailed examination of the Report. I do hope my Honourable friend will give us the benefit of his explanation. I want to know from him expressly as to whether this particular Bill, drafted in the way it has been, carries out his intention in the paragraph from which I quoted. That is the question which I put to him specifically. It does not do for my Honourable friend to refer me to some other paragraph. The whole question, whatever my Honourable friend had in mind when he made that recommendation, is whether that "shading off" has been provided for in this particular measure of protection. That is the point. Now, Sir, my Honourable friend Mr. Birla quoted from some of the observations that appeared in the British Press with regard to this question of preference; it was for the purpose of

showing that this provision is interpreted even in Great Britain, as giving some assistance to Lancashire. Sir, I will read out one or two more extracts from the British Press opinions. This is the cable which came out from London, dated March, 3rd:

"The general belief in Lancashire is that if the additional 5 per cent. duty on non-British goods can be enforced immediately, the effect on the Lancashire trade of the increased tariff of 15 per cent. will be much minimised."

Then again I find that no less a journal than the *Financial News* says:

"If the proposal for a 5 per cent. additional duty on non-British goods is accomplished, it would more than offset Lancashire's loss."

I do not know whether my Honourable friends from Bombay have seen this particular expression of opinion. Now, Sir, I have one more interesting extract from the Press on this particular point, and this I quote from the *Statesman*, Piece-goods market report, a special article written for the *Statesman*. This is what it says:

"If goods from Japan have to bear import duty of an extra 5 per cent., that is 20 per cent. in all, it will of course afford considerable relief to mills in India; it will also give Lancashire a chance to recapture some of the business which that country has lost to Japan in recent years, particularly in dhatis and grey shirtings. It will be remembered that when cotton fell below 7d. in the early part of 1927, Lancashire succeeded in ousting Japan for several months in grey shirtings. Much of the business done formerly in Lancashire in dyed and coloured goods has also in recent years gone to Japan, and it is not improbable we shall now see a return of the pendulum in favour of Lancashire."

Was my Honourable friend, Mr. Birla, far wrong in saying that this measure is as much in the interests of Lancashire as in that of the Indian cotton textile industry? Sir, the quarrel of the Indian textile industry is in counts, not with countries, and while I am prepared to assist Government in introducing any measure which will effectively protect the Indian industry against the competition in specific counts, from whichever country it may come, I am not prepared to give my support to any measure that seeks to discriminate as between country and country, irrespective of the specific nature of competition from those countries with Indian goods.

Sir, my Honourable friend, Sir, George Rainy. I do not know why, did not think it proper to refer this Bill to a Select Committee. In defending his action the other day, he said that it would have meant delay. May I remind him that this particular Bill has been before this House for 25 days. If he were to refer to the proceedings of this House in regard to other protection Bills that were referred to Select Committees, he would find that such a lengthy time was not taken in any other instance. My Honourable friend has preferred to circulate a printed statement giving certain facts; he has taken some leaders and other selected Members of this House into his confidence; he asked them to meet him at informal conferences. I do maintain, Sir, that the regular procedure under the rules of this House is to refer the measure to a Select Committee if it is thought that it requires to be examined in detail. My Honourable friend has not done that. In the case of the Steel Industry, we had the Tariff Board Report before us, and the Government proposals were seeking to give effect to the Tariff Board Report. In this particular instance we have not got the Tariff Board Report, because that Board has not made any inquiry into this matter at all. We do not know what the practical effect of this British preference may be on the Indian industry, and my friend has not

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given this House an opportunity of appointing a Select Committee to go more thoroughly into this aspect of the question. As I said, he preferred to circulate a printed statement.

Mr. Vidya Sagar Pandya (Madras: Indian Commerce): It appears from one of the Bombay telegrams in the papers that they are going to have a scheme of amalgamation, and the Government are going to render some help in that direction, and they take it for granted that this Bill will be passed.

Mr. K. C. Neogy: I think we cannot blame the Bombay industry. If we were in their position we would perhaps have taken the very same step.

Now, Sir, my friend the Leader of the European Group brought to the notice of this House another interesting statement on this question, a statement which has been circulated over the signature of Mr. Kawaguchi, the Agent of the Japan Cotton Spinners' Association. I really could not understand the reason of his righteous indignation over the fact that this particular printed statement had been circulated in this House. He said, "My complaint is that the document should have been passed round in the lobby of the House by the agent of a foreign country to influence our decision". Sir, I may tell my friend that we consider Sir Darcy Lindsay as much a foreigner as any Japanese. My friend proceeded to observe that he considered this particular statement to be in a particularly bad form. I had no intention of ever referring to this document on this occasion, but I examined it carefully after having heard my friend for the purpose of finding out what was the bad form of which my friend complained. I find that what they do is to set out the Government case and then state their criticism, and I propose to read out just a few lines to show what the nature of that criticism is. I may tell this House that I would not have taken the trouble of reading out extracts from this document, but for the protest which my friend, Sir Darcy Lindsay, lodged against its circulation in this House. This is what it says:

"Japan's objection to the Government Bill as amended by Mr. Chetty is against:

- (1) Unreasonable discrimination in (a) bordered dhoties where competitive imports from United Kingdom are three times as large as competitive imports from Japan, and (b) in coloured goods where Japan's and United Kingdom's competitive yardage are 86 million and 50 million respectively.
- (2) Unwarranted discrimination in the bleached goods in which, as shown by Sir George Rainy himself, neither Lancashire nor Japan import any competitive goods."

Then, Sir, this statement goes on to examine the figures given by my Honourable friend Sir George Rainy and it also gives quotations from Mr. Hardy's Report. I do not think that could be considered bad form, particularly extracts from Mr. Hardy's Report. This is how it concludes:

"Permit me to assure the Indian public that Japan has no cause to complain against the Indian Cotton Mill industry being protected. It is only fair that it should be. It is only reasonable that it should be. What is not fair and what is not reasonable is the unwarranted and unjustifiable discrimination that is sought to be enforced against Japan. I trust I have been able to demonstrate beyond the shadow of a doubt that discrimination against Japan in the bleached trade, in the coloured trade, and in the dhoties trade is utterly indefensible from the Indian industry's and consumers' point of view."

Sir, I have failed to discover anything in this statement to which exception can be taken on the ground that it is in bad form. I remember occasions when literature of propaganda directed against my friend Mr. Haji's Bill, and also supporting the Simon Commission had been circulated to all the Members of this House. I remember to have seen other documents, not necessarily having anything to do with the business of this House, being circulated in the precincts of this Chamber. If you, Sir, were to lay down a rule that no document can be circulated within the precincts of this House without your express authority, I could then understand my friend's objection

Mr. M. A. Jinnah: What about the inner precincts?

Mr. K. O. Neogy: But my friend's complaint was not that anybody came into this Chamber to circulate this pamphlet. As a matter of fact, I was handed my copy just near the Notice Office.

Sir, I shall refer to only one other point, and that is in regard to what my friend Mr. Chetty said the other day. He said this:

"I consider Imperial Preference purely as a business proposition."

He differed from my friend Mr. Jayakar on the point as to whether there could be any bargaining in connection with this matter. Mr. Jayakar held that there was nothing wrong if we could get some substantial benefit out of Great Britain in return for a concession of this character. But what does Mr. Chetty say? He says this:

"I am not therefore prepared to exchange any amount of political benefit for an economic benefit. If Great Britain is asking for Imperial Preference she must be prepared to offer to us in return an economic benefit and not a political benefit."

Then within brackets "Hear, hear". Then my friend went on to explain his point:

"What has England, Australia or Canada for the matter of that to give me in exchange for the economic benefit that I give, and if I am satisfied I can get back enough return for this concession that I give them, I for my part would not be swayed by any sentiment or prejudice on that account. It is only in that spirit that I view the whole question."

and here comes the anti-climax.

"And viewing the question from that point of view, I am convinced that the scheme of protection formulated by the Government certainly does give to the Indian industry an adequate and effective protection."

He began by saying that Great Britain must have something to give to us in return for this benefit, and he concludes by thinking that that particular condition has been satisfied inasmuch as we get protection for the Indian industry.

Maulvi Muhammad Yakub: But Mr. Chetty was the Chief Whip of the Swaraj Party.

Mr. K. O. Neogy: I do not know whether my friends on the Government Benches felt very comfortable when my friend Mr. Chetty made these observations, because what does it come to? It means this, that all that has been said by Government about the reality of the fiscal autonomy convention is absolutely untrue.

That is to say Government are yet in the leading strings of the Secretary of State, and we are getting this protection measure because Britain

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permits it to be granted to the cotton industry. That is the only interpretation which my Honourable friend's words can bear. In other words, my Honourable friend charges Government with hypocrisy when they say that they are free agents and that we are going to settle this question on the floor of this House. Nothing of the kind, says Mr. Chetty. Well, Sir, I do not know whether my Honourable friend's interpretation will be borne out by the Government themselves. The Government are not free agents in this matter. Mr. Jinnah says "No". Mr. Chetty says "No". You are taking this line of action. . . .

The Honourable Sir George Rainy: Does my Honourable friend suggest that the Government of India are not free agents in the matter?

Mr. K. C. Neogy: Yes, Sir.

The Honourable Sir George Rainy: I repudiate that charge.

Mr. K. C. Neogy: You might repudiate this with all the emphasis that you can command. Mr. Chetty, one of your best friends, said that it is an economic advantage that Great Britain is giving to us in return for which we are granting Imperial Preference for her benefit.

Mr. K. K. Shanmukham Chetty (Salem and Coimbatore *cum* North Arcot: Non-Muhammudan Rural): Whether the Government of India are free agents or not, in the speech that I delivered, I did not mean to suggest that the Government of India were acting under the instructions of the British Government and giving us this protection in return for the preference. It is an entirely wrong interpretation that my friend is putting on my entire speech.

Mr. K. C. Neogy: Will Mr. Chetty explain what he meant? Again I must trouble the House with what Mr. Chetty said:

"I am not prepared to exchange any kind of political benefit for an economic benefit, If Great Britain is asking for Imperial Preference from India which she is going to get under this Bill, she must be prepared to offer her in return an economic benefit and not a political benefit."

Then he says:

"If I am satisfied that I can get back enough in return for this concession that I give them, then I for my part would not be swayed by any sentiment or prejudice. *It is in that spirit that I view the whole question* and viewing the question from that point of view, I am convinced that the scheme of protection formulated by Government does give to the Indian industry an adequate and effective protection."

If my friend Mr. Chetty will explain what exactly he meant, I am prepared to give way. What is the economic benefit which Great Britain is offering to us today in exchange for this Imperial Preference?

Mr. R. K. Shanmukham Chetty: My contention is that there is no Imperial Preference in the scheme.

Mr. M. S. Aney: Is there anything in that passage from the speech of Mr. Chetty that says the economic return should necessarily be for the benefit of the country as such?

Maulvi Muhammad Yakub: He is right when he says that he has got enough return.

Mr. K. O. Neogy: I will not take up the time of the House any further. I maintain that this Convention of fiscal autonomy is a sham and a fraud, and even my Honourable friend Mr. Chetty seems to agree with this view.

Mr. R. S. Sarma (Bengal: Nominated Non-Official): In rising to support this Bill

An Honourable Member: Naturally!

Mr. R. S. Sarma: If it is meant by this interruption that as a nominated Member, I should support the Bill, I may say that I am in the company of Sir Purshotamdas Thakurdas and others, by whom gentlemen who are interrupting me are prepared to swear every time in financial matters. In rising to support this Bill, I cannot help regretting that certain speakers like Mr. Neogy, Mr. B. Das and Mr. Ghuznavi have sought to assail this Bill on considerations what seem to me entirely irrelevant and non-essential.

Mr. K. O. Neogy: Why not Mr. Birla too?

Mr. R. S. Sarma: I am coming to Mr. Birla. If my Honourable friend Mr. Neogy wants to insinuate that I do not say anything against Mr. Birla because I was indebted to him in the past, I will only say that the insinuation is unworthy. My external gratitude to my old chief and great benefactor will not prevent me from expressing my amazement, that so shrewd and cool-headed a business-man as Mr. Birla should deliberately say on the floor of this House that the principle of this Bill was one of Imperial Preference. One thing that has been made clear in the whole debate is this, that most of the speakers seem to object not so much to a little preferential treatment to Lancashire but to committing this country to the policy of Imperial Preference. I think, Sir, that the Honourable the Commerce Member in the course of his masterly statement in introducing this Bill made it absolutely clear that the principle underlying this Bill was not one of Imperial Preference, but temporary protection for the indigenous cotton industry. In spite of this fact, certain Members of this House want to cut their noses to spite their faces. It is an attitude which it is very difficult to understand. This premier industry, which has a greater claim and better title to be called a national industry than what my friend Mr. Chaman Lal professes posing as a labour leader, this national industry is on the verge of collapse. When in response to the urgent need of the situation and to the expressed desire of the people of this country, the Government want to bring in a measure which gives some little protection, I ask Pandit Madan Mohan Malaviya whether it is patriotic, I ask Mr. Birla whether it is business-like, to turn round and say that we shall have nothing to do with it whatever, because this measure, while it gives protection to our industry incidentally, gives a little preference to Lancashire.

Mr. Ghanshyam Das Birla: It is patriotic, though it may not be business-like in the ignoble sense.

Mr. R. S. Sarma: I am putting it on both grounds. Talking about preference, may I ask what does this preference amount to? The Honourable the Leader of the Opposition, whom we are all so happy to see back in his seat this afternoon, in a speech, admirable alike for its tone, temper and brevity, but vitiated by conclusions to which his arguments did not lead, made a great point of the fact and even deplored that the Government of India should have gone back upon their original proposals at the bidding of the British Government.

Pandit Madan Mohan Malaviya (Allahabad and Jhansi Divisions: Non-Muhammadan Rural): I never said that it was done at the bidding of the British Government.

Mr. R. S. Sarma: I understood the Honourable Pandit to say that the Government gave up their original proposal as a result of a message which the British Government sent to the Government of India.

Pandit Madan Mohan Malaviya: I made it clear that it is the Government of India who started the proposal. His Majesty's Government did not suggest it. This is borne out by the telegram today, containing a statement by Mr. Benn, that the proposal originated in India.

Mr. R. S. Sarma: I never said, Sir, that the Honourable Pandit said that this proposal originated from the Government at home, but that the Government of India had certain proposals of their own which were later on changed because of the communication from the Home Government. That is what I think he said. I do not think he is justified in saying that the Government of India have really altered their proposal to any appreciable extent. Let us see what the Government proposal was in the beginning. Their original proposal was to have a 15 per cent. revenue duty on all cotton goods and a duty of $8\frac{1}{2}$ annas per pound on all grey goods, irrespective of their country of their origin. It was at this stage that a message came from the British Cabinet to the Government of India, and if the Honourable Members will read that message carefully, they will see that the authors of the message have been animated as much by a desire to save Lancashire to some extent from the impending losses as to establish the fiscal autonomy convention and place it on a pedestal from which it cannot be dislodged. And the procedure that was adopted by Mr. Ramsay Macdonald's Government in this connection is of considerable political importance and significance. Once this convention has been established and accepted by the British Government, I think, whatever may be the party that may come into power in the future, it will be very difficult to interfere with the principle now established. And how did the Government of India respond to this unprecedented appeal from the British Government to which, as Mr. Jinnah again pointed out this morning, our Government are still statutorily subordinate? Did they give up the idea of increasing the duty from 11 to 15 per cent? No; certainly not.

Mr. M. K. Acharya (South Arcot *cum* Chingleput: Non-Muhammadan Rural): They were not asked to give it up.

Mr. R. S. Sarma: They did not make any suggestion at all. They only made an appeal and the Government of India said

Mr. M. K. Acharya: The Government of India were not asked to give up the proposal.

Mr. R. S. Sarma: The Government of India clearly said that . . .

The Honourable Sir George Rainy: May I intervene, Sir. My Honourable friend, Mr. Acharya, has not understood the position. The suggestion in the message from the Cabinet was that the Government of India should abandon its proposals.

Mr. R. S. Sarma: The Government of India said that Indian interests were to be considered first. But what did the Government of India decide in view of the unprecedented character of the appeal and in view of the special circumstances of the situation? They decided to have a revenue duty of 15 per cent. on all foreign cotton goods and an additional duty of 5 per cent. and a minimum of $3\frac{1}{2}$ annas per pound on all goods of non-British origin. And if the amendment of Mr. Chetty is accepted by the Honourable the Commerce Member, who has already given a hint that he was going to accept it, this alleged preference will be still further whittled down. The present position is this, that the original position of the Government of India stands, that there should be a 15 per cent. duty on all cotton goods, plus $3\frac{1}{2}$ annas duty per pound on all goods coming from any country. That is the original position and that stands. Over and above that, the Government have decided to help Bombay by the imposition of an additional 5 per cent. duty on non-British goods, and this 5 per cent. duty does not affect the class of goods in which there is any great competition between Great Britain and India. With the exception of this additional advantage to Britain against Japan to some extent, there has not been shown any preference to her. Therefore, Sir, I submit that the original proposal of the Government of India stands. The Honourable Pandit Madan Mohan Malaviya the other day spoke eulogistically and also very affectionately about Japan and deprecated any sort of discriminatory legislation against Japan. I do not understand, Sir, why the Honourable Pandit should be overflowing with so much affection for Japan?

Pandit Madan Mohan Malaviya: Why should it not be?

Mr. R. S. Sarma: It is because of this, Sir, that whatever we may say about the exploitation of our industries by the Europeans, you cannot get away from the fact that they have given a lot of money for various public benefactions in this country and also many contributions have been made by the European merchants in this country towards the construction of hospitals, and similar charitable institutions. I do not think even an yen has ever been paid by any Japanese firm for any public cause in this country.

With regard to the incident referred to by Mr. Neogy just now, namely, the circulation of a pamphlet on behalf of a foreign nation in the lobby, I myself wanted to refer to it. With that sweet reasonableness and with that great passion for conciliation and peace-at-any-price qualities, for which the amiable leader of the European Group has now become very famous, he did not proceed with the matter further, and when you, Mr. President, asked him what his complaint was, he simply said that it was undesirable. I think, Sir, it is much more than undesirable. I say it is an insult to this House, it is an insult to the private Members of this House that any agent of a foreign nation should send a representative for the purpose of doing propaganda work in the lobby of this House and when my Honourable friend Mr. Neogy asked . . .

Mr. President: I suppose they can do so in the lobby against the President.

Mr. R. S. Sarma: Well, Sir, I know that propaganda against the President has been going on outside and I have some responsibility for that. But if it is said that propaganda has been conducted inside the lobby, in the way of distribution of pamphlets or anything like that, against the President, I take this opportunity of contradicting it with all the emphasis that I can command. If we find, Sir, that anyone, however exalted he may be, has done anything wrong, I think in the public interests, as a journalist or as a public man or as a Member of this House, we are entitled to carry on whatever propaganda we like outside this House. Well, Sir, I was saying that the agent of the Japanese had sent a man to the lobby of this House who, in spite of the contradiction of my Honourable friend, Mian Mohammad Shah Nawaz, the other day, has called himself the accredited agent of the Central Muslim Party.

Mian Mohammad Shah Nawaz: No, Sir. I entirely deny he is our representative.

Mr. R. S. Sarma: But that is what he represents.

Mian Mohammad Shah Nawaz: The Central Muslim Party has nothing to do with the distribution of the pamphlet.

Mr. R. S. Sarma: The contradiction that my Honourable friend Mian Mohammad Shah Nawaz gave was this, that that particular pamphlet was not distributed in the lobby at the instance of the Central Muslim party.

Mian Mohammad Shah Nawaz: I say that he was not our agent and that the pamphlet was not distributed at the instance of the Central Muslim Party. Will the Honourable Member, Mr. Sarma, accept my contradiction?

Mr. R. S. Sarma: Why should my Honourable friend be so excited? I have seen my Honourable friend at Simla getting much excited over the Sarda Act. Perhaps he does not understand that I am not challenging his statement. I have accepted his statement that no Member of the Central Muslim Party distributed it. What I said was that a person who called himself the agent of the Central Muslim Party distributed that pamphlet.

Mr. Muhammad Yamin Khan: Certainly not. He was not our agent.

Mr. R. S. Sarma: At any rate the fact remains that a man who posed as such, and who was going about the lobby and who probably had the audacity to say that he was the agent of the Central Muslim Party, and who is also seen frequently in the precincts of the Chamber, distributed the pamphlet . . .

Mian Mohammad Shah Nawaz: Probably he was Mr. Sarma's agent. He was not the agent of the Central Muslim Party.

Mr. R. S. Sarma: I take the assurance of my Honourable friend. But, Sir, it is simply ridiculous that anybody who is unconnected with this House should undertake any sort of propaganda on behalf of a foreign nation in the lobby of this House and it is an insult to this House . . .

Lieut.-Colonel H. A. J. Gidney (Nominated: Anglo-Indians): He openly said he was an agent.

Mian Mohammad Shah Nawaz: Agent for what purpose? This so-called agent was never authorised to circulate the pamphlet. In point of fact, when the pamphlet was distributed, the House was not sitting.

Mr. R. S. Sarma: If a foreign nation wants to represent anything to this Government affecting legislation, I think the only way of doing that is for them to represent directly to the Government of this country, and not to influence private Members of this House. It is one thing for eminent Japanese members residing in this country to be allowed the proud privilege of sitting in the Distinguished Visitors' Gallery

Mr. President: Order, order. The Honourable Member is not entitled to refer to visitors sitting in the Visitors' Gallery. He ought to know the rules of the House.

Pandit Madan Mohan Malaviya: Apologise.

Mr. R. S. Sarma: I am sorry, Sir, I referred to them. I bow to your ruling. When we see, Sir, that these people are trying to influence private Members of this House, I submit, Sir, that that is a thing that should not be allowed.

Several Honourable Members: Why? What is wrong?

Mr. R. S. Sarma: I want to say a word with regard to Mr. Ghuznavi's speech and he made a great point of quoting, and I think other speakers also quoted from the speech of Mr. D. P. Khaitan. It was very pleasant to hear that, at least once, Mr. Ghuznavi thought fit to quote from Mr. Khaitan, from his speech which he delivered at the Indian Chamber, and he said that it presented the view of the Indian business-men generally in Calcutta about this Bill. I beg to differ from him. I do not want to pursue the matter further, except to say this, that the House may put any value it likes upon the statement of Mr. Khaitan after knowing that the firm of Mr. Khaitan is the Agents of a leading Japanese firm in this country.

Mr. B. Das: I was quoting him as the President of the Indian Merchants' Chamber of Calcutta and not as representative of a city Japanese firm.

Mr. R. S. Sarma: Sir, I want to say a word regarding my Honourable friend Diwan Chaman Lall's speech. My Honourable friend Diwan Chaman Lall does not seem to attach very much importance to the Labour Commission, of which he is such a distinguished Member, as in his opinion the best way of ameliorating the grievances of labour was to allow this mill industry to die a natural death. In listening to his speech, which was very much appreciated both on the floor of this House and in the Press, I was very much regretting the wealth of wasted eloquence spent in trying to kill the dying. My Honourable friend, Diwan Chaman Lall, was telling Mr. Mody that, if he could prove that this was a national industry, he would support it. And one of the tests of national industry, he said, was that they must pay 50 to 70 per cent. of their profits to labour. I do not know whether my Honourable friend, Diwan Chaman Lall, can quote one single instance in the whole world of any national

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industry which pays anything like 50 to 70 per cent. of their profits to labour. I am willing to wait for his answer for another six months, and if he does not know the answer now, he can investigate when he next goes to England, not at his own expense, but at the expense of the poor taxpayer of India, at the expense of the poor consumer, for whom he shed such copious crocodile-tears the other day.

Diwan Chaman Lal: On a point of personal explanation. May I remind my Honourable friend that, in his eloquence, he is forgetting the main point. The main point of my speech was not that it was a national industry or that it would be a national industry if it pays 50 to 70 per cent., but that it would be a national industry if it was nationalised.

Mr. R. S. Sarma: From his speech, it was very evident that if Mr. Mody could give him the assurance that they would pay 50 to 70 per cent. he would be willing to support this Bill.

Diwan Chaman Lal: I have already contradicted that statement on the floor of this House. The Honourable Member evidently has not heard what was said on the floor of this House, or else he is deliberately not following me. I cannot help his ignorance.

Mr. President: Order, order. The Honourable Member was probably not present in the House at the time.

Mr. R. S. Sarma: Well, Sir, I support this Bill in the hope that this Act will help the Bombay industry and will enable the millowners to put their house in order and tide over the present crisis, and that it will enable our great national industry to stand on its own legs and face world competition. (Applause.)

The Assembly then adjourned till Eleven of the Clock on Wednesday, the 26th March, 1930.